CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

National income and expenditure in the first quarter of 1986

The effects of taxes and benefits on household income 1984

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Release dates of economic statistics to be published in August 1986

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Publication date	Series	Method of release	Source
August			
Fri 1	Housing starts and completions (June)	PN	DOE
	Car and commercial vehicle production (June-final)	British Business	DTI
Mon 4	UK official reserves (July)	PN	HMT
	Capital issues and redemptions (July)	PN	Bank of England
Tue 5	London and Scottish banks' monthly statement (July)	PN	CLSB
	Provisional estimates of monetary aggregates (mid-July)	PN	Bank of England
Wed 6	Advance energy statistics (June)	PN	Dept. of Energy
	Detailed analysis of employment, unemployment, earnings, prices and other indicators	Gazette	DE
Mon 11	Credit business (June)	PN	DTI
	Retail sales (June-final)	PN	DTI
	Producer price index numbers (July-provisional)	PN	DTI
Tue 12	Building Societies' monthly figures (July)	PN	BSA
Wed 13	Index of output of the production industries (June)	PN	CSO
Thurs 14	Labour market statistics: unemployment and unfilled vacancies (July-provisional) average earnings indices (June-provisional) employment, hours, productivity and unit wage costs; industrial disputes	PN	DE
	London sterling certificates of deposit	PN	Bank of England
	UK bank assets and liabilities and the money stock (mid-July)	PN	Bank of England
	Provisional figures of vehicle production (July)	PN	DTI
Fri 15	Usable Steel production (July)	PN	BSC/BISPA
	Tax and price index (July)	PN	CSO
	Retail prices index (July)	PN	DE
Sun 17	Department for National Savings monthly progress report (July)	PN	Dept. for National Savings
Mon 18	Public Sector borrowing requirement (July)	PN	HMT/CSO
	Retail Sales (July-provisional)	PN	DTI
Tue 19	CBI/FT survey of distributive trades (end-July)	PN	CBI
Wed 20	Gross Domestic Product (output-based) (2nd quarter preliminary)	PN	CSO
	Construction - new orders (June)	PN	DOE
Thurs 21	Cyclical indicators for the UK economy (July)	PN	CSO
	Capital expenditure by the manufacturing and service industries (2nd quarter provisional)	PN	DTI
	Manufacturers' and distributors' stocks (2nd quarter provisional)	PN	DTI
Fri 22	Sales and orders in the engineering industries (May)	British Business	DTI
	Finished steel consumption and stock changes (2nd quarter provisional)	British Business	DTI
	United Kingdom Balance of Payments 1986 Edition (CSO Pink Book)	Advance volume	CSO
Wed 27	Balance of Payments current account and overseas trade figures (July)	PN	DTI/CSO
Thurs 28	Energy Trends (June)	PN	Dept. of Energy
	New vehicle registrations (July)	PN	Dept. of Transport
Fri 29	Company liquidity survey (2nd quarter)	British Business	DTI

PN = Press Notice

CENTRAL STATISTICAL OFFICE

Economic Trends

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Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

The main section is based on information available to the CSO on the data printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
5. 'Billion' denotes one thousand millions.
6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
7. Symbols used.
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given on page 71
   - † indicates that the data has been revised since last issue; the period marked is the earliest in the table to have been revised.

CSO Databank

At the top of each column of figures in the tables the appropriate CSO Databank identifier consisting of a code of four letters is shown. This is to facilitate access to the data in computer readable form and make available longer runs of data than appear in many tables.

The CSO databank is a collection of macro-economic time-series on sale to the public. The service is run on CSO's behalf by CISI-Wharton Econometric Forecasting Associates, further details can be obtained from them at:
Ebury Gate, 23 Lower Belgrave Street, London SW1W 0NW, tel: 01-730-8171.

The Editor would welcome readers' suggestions for improvements to Economic Trends

Central Statistical Office, 28 July 1986

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Latest developments in the economy[1]

Data available at 28 July 1986

Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves rose by $22 million in June to $19,188 million. Accruals of borrowing under the exchange cover scheme amounted to $29 million; repayments of such borrowing amounted to $293 million. Repayment of long-term North American debt amounted to $2 million. Capital repayments on assignments to HMG of other public sector debt taken out under the exchange cover scheme amounted to $3 million.

Up to 28 July, the average Exchange Rate Index for July was 2.0 per cent lower than in June.

Prices (not seasonally adjusted)

The retail prices index for June was 385.8 (January 1974=100), a decrease of 0.1 per cent on May and an increase of 2.5 per cent on June 1985. The fall in the index between May and June was mainly the result of reductions in mortgage interest rates offsetting price increases for other goods and services, most notably for petrol, motor insurance and some food. The tax and price index (TPI) for June was 192.8 (January 1978=100), 0.6 per cent higher than in June 1985.

The price index for materials and fuel purchased by manufacturing industry fell by 1.2 per cent between May and June, mainly owing to lower prices for home-produced food materials and imported commodities. The index fell by 8.4 per cent in the twelve months ended June after having fallen by 8.7 per cent in the twelve months ended May. The seasonally adjusted index fell by 0.7 per cent between May and June.

The price index for home sales of manufactured products was unchanged between May and June. The increase in the index measured over a twelve month period was little changed in June at 4.5 per cent as compared with 4.6 per cent in May.

Output

In the three months to May 1986, output of the production industries is provisionally estimated to have increased by 1 per cent from the level of the previous three months and was ¼ per cent higher than in the same period a year earlier. The latter comparison is affected by the 1984/85 dispute in the coal mining industry, and after allowing for this, output fell by ¼ per cent.

Manufacturing output in the latest three months was little changed from the level of the previous three months but was 1 per cent lower than in the same period a year earlier.

Energy and water supply increased by 2¼ per cent between the two latest three month periods.

Unemployment and vacancies

The level of unemployment in the UK (excluding school leavers) rose by 15,000 in the month to June, to 3.220 million, 11.7 per cent of the working population. On the narrow base the rate was 13.1 per cent. Unemployment is 106,000 more than a year ago. Over the past six months the series has risen by 15,000 per month on average, clearly indicating an upward trend.

The stock of unfilled vacancies at Jobcentres (excluding Community Programme vacancies) increased by 14,200 in the month to June to stand at 185,300. Over the past three months to June vacancies have increased on average by 5,500 per month.

Employment

The number of employees in employment in manufacturing industries in Great Britain is estimated to have decreased by 21,000 in May 1986. This is 80,000 fewer than in May 1985. The average decrease of 10,000 per month over the three months ending May is the same as for the three months ended February and compares with 2,000 per month in the three months ended May 1985. The downward trend which followed the faster decline of 1980 to 1983 is continuing but has accelerated slightly from the middle of last year when there was only a very slow downward drift.

The employed labour force in Great Britain is estimated to have increased by 25,000 in the first quarter of 1986. This compares with increases of 94,000 in the fourth quarter and 68,000 in the first quarter of 1985.

Earnings

The whole economy index of average earnings of employees in Great Britain in May was 182.4 (January 1980=100), a decrease of 1.6 per cent over April but 7.5 per cent higher than in May 1985. The underlying increase in average weekly earnings in the year to May was about 7¼ per cent, similar to the increase in the year to April. The actual increase in the year to May was not affected by any significant temporary factors and therefore was similar to the underlying increase.

In production industries, the underlying increase in average weekly earnings in the year to May was about 8 per cent, similar to the increase in the year to April; in manufacturing industries the increase was about 7¼ per cent, slightly lower than the increase in the year to April (which has been revised downwards) and reflecting the less buoyant level of overtime working in recent months.

Productivity

Manufacturing output per head in the three months to May was 0.6 per cent higher than in the previous three months and 0.1 per cent lower than in the same period a year earlier. The estimates of output per head in the whole economy show a decrease of 0.1 per cent between the fourth quarter of 1985 and the first quarter of 1986 but an increase of 1.1 per cent between the first quarters of 1985 and 1986.

Unit wage and salary costs

In the three months ending May, wages and salaries per unit of output in manufacturing industries were 7.7 per cent above the corresponding period in 1985. For the whole economy they were 6.8 per cent higher in the first quarter of 1986 than in the same period a year earlier.

Financial aggregates

During banking June (4 weeks to 18 June), M0 (average of weekly levels) rose by £80 million, or 0.5 per cent, whilst £M3 rose by £1,710 million, or 1.3 per cent. In the latest twelve months M0 has risen by 3.1 per cent and £M3 by 18.3 per cent. M2 (not seasonally adjusted) rose by £2,110 million, or 1.4 per cent and PSL2 (new definition) rose by £3,200 million, or 1.3 per cent in banking June.

1. All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Amongst the counterparts to the change in £M3, the net effect of public sector transactions (the PSBR less debt sales to the non-bank private sector and external flows to the public sector) was expansionary by £420 million. The central government borrowing requirement was £1,790 million and the direct contribution of local authorities and public corporations to the public sector borrowing requirement (net of non-bank private sector purchases of their debt) was contractionary by £580 million. There were net purchases of central government debt by the non-bank private sector of £1,120 million.

Sterling lending to the private sector rose by £2,150 million. The sterling value of private sector foreign currency deposits rose by £1,670 million, comprising a rise of £1,430 million reflecting transactions and a rise of £240 million reflecting the estimated change in the sterling value of the existing stock.

Consumers' expenditure

The provisional estimate of the volume of retail sales in June was 122.0 (1980=100), well above previous levels. In the three months April to June, the level of sales was 1¼ per cent higher than in the previous three months and 4¼ per cent higher than in the corresponding period a year earlier.

Preliminary estimates suggest that in the second quarter of 1986 consumers' expenditure at constant 1980 prices was about ½ per cent higher than in the first quarter and about 3 per cent above the level in the same period last year. The estimate reflects increases in expenditure on most categories of food.

Balance of payments

The current account for June is estimated to have been in surplus by £77 million compared with a surplus of £34 million in May. In the second quarter, the current account showed a surplus of £0.5 billion, much the same as in the first quarter. There was a deficit on visible trade of £1.6 billion in the second quarter compared with a deficit of £1.4 billion in the previous quarter. The surplus on invisibles is projected at £2.1 billion.

There was a deficit on visible trade in June of £623 million compared with a deficit of £666 million in May. Exports in June were 1 per cent lower than in May, or ½ per cent lower if oil and the erratic items are excluded. Imports were 1½ per cent lower in June than in May; excluding oil and the erratic items they increased by 1½ per cent.

By volume, exports grew by 3½ per cent in the second quarter to a level ½ per cent higher than in the second quarter of last year. Excluding oil and the erratic items export volume also increased by 3½ per cent between the first and second quarters. The underlying level of non-oil export volume has risen a little in recent months.

Between the first and second quarters, total import volume increased by 2 per cent to be 3 cent higher than in the second quarter of last year. Excluding oil and the erratic items, import volume rose by ½ per cent between the first and second quarters. The underlying level of non-oil import volume shows signs of having risen a little in recent months.

Selected monthly indicators (1)

		Seasonally adjusted						Unadjusted				Seasonally adjusted	
		1980=100	1980=100	Thousands		January 1980=100	1980=100	January 1974=100	January 1978=100	1975=100	$ billion	£ million	
		Volume of retail sales GB(2,3,4)+	Total production industries	Unemployment (5,6)+	Vacancies (7,8,9)+	Average earnings - whole economy: GB(10)	Producer price of materials and fuel(11)	Retail price index (all items)	Tax and price index	Sterling exchange rate index	UK official reserves(12)	Balance of payments: Current balance	Money stock £M3
		DKCD	DVGY	BCJD	DPCB	DNAB	DZDQ	CBAB	BSAA	AJHT	FOAB	AIMO	AGBO
1985	A	113.5	109.1†	3 120.8	161.0	170.6	140.1	373.9	190.2	78.0	14.0	454	114 119
	M	115.3	109.2	3 121.4	160.7	169.7	138.6	375.6	191.2	78.8	14.0	732	114 661
	J	115.9	108.4	3 114.2	163.4	170.2	137.4	376.4	191.7	79.9	14.3	401	117 358
	J	115.9	107.7	3 121.1	163.0	172.2	135.6	375.7	191.3	83.3	14.3	443	116 485
	A	117.5	108.1	3 127.4	162.9	173.1	135.4	376.7	191.8	81.7	14.3	474	118 656†
	S	115.6	109.5	3 123.5	167.3	176.4	135.1	376.5	191.7	81.4	14.2	555	120 798
	O	115.0	108.5	3 119.9	172.6	174.3	133.6	377.1	191.4	80.4	16.3	281	121 783
	N	117.4	109.4	3 113.8	170.0	175.9	133.1	378.4	192.1	80.0	16.0	59	124 172
	D	117.3	107.3	3 132.5	162.1	178.1	132.2	378.9	192.4	79.1	15.5	422	124 876
1986	J	117.0	108.6	3 153.2	159.7	179.1	131.6†	379.7	192.9	76.6	15.6	1 090	124 930
	F	117.2	109.8	3 160.9	165.0	180.0	130.2	381.1	193.7	74.2	15.8	152	126 094
	M	119.8	109.5	3 198.6	168.8	182.6	128.2	381.6	194.0	74.6	18.8	-714	128 953
	A	119.3	110.1	3 200.2†	169.0	185.3†	126.6	385.3	192.5	76.3	19.0†	435	133 076
	M	118.2†	108.6	3 205.4	171.1	182.4	126.8	386.0	192.9	76.1	19.2	34	136 929
	J	122.0		3 220.4	185.3†		125.9	385.8†	192.8	75.9†	19.2		138 661
		Percentage change, latest three months on previous three months											
1985	A	0.4	2.8	1.3	2.4	2.9	1.1	2.4	..	0.7	..	..	2.7
	M	0.7	2.6	1.2	4.3	2.6	-1.2	3.2	..	6.2	..	..	3.6
	J	1.4	1.8	1.0	5.3	2.0	-3.5	3.4	..	9.5	..	..	4.7
	J	2.0	0.7	0.5	3.6	1.3	-4.0	2.3	..	8.7	..	..	4.0
	A	1.9	-0.4	0.3	2.4	1.4	-3.4	1.2	..	6.4	..	..	3.7
	S	1.1	-0.3	0.2	1.7	2.2	-2.4	0.3	..	4.1	..	..	2.8
	O	0.2	0.5	0.2	3.2	2.3	-1.8	0.2	..	0.6	..	..	3.5
	N	-0.4	1.6	0.1	4.2	2.2	-1.6	0.3	..	-1.3	..	..	4.0
	D	0.3	0.6	0.1	2.3	1.3	-1.8	0.5	..	-2.8	..	..	4.0
1986	J	1.1	0.2	0.3	-2.2	1.8	-1.8	0.6	..	-3.2	..	..	3.4
	F	1.0	0.5	1.0	-4.5	2.1	-1.9	0.7	..	-4.9	..	..	2.3
	M	1.2	0.4	1.6	-2.2	2.6	-2.2	0.7	..	-5.9	..	..	2.5
	A	1.4	1.3	1.7	2.2	2.8	-3.0	1.0	..	-4.5	..	..	3.8
	M	1.7	0.8	1.7	4.5	2.4	-3.2	1.2	..	-1.3	..	..	6.1
	J			1.2	6.5		-2.7	1.3	..	1.3	..	..	7.6
		Percentage change, latest three months on corresponding period of previous year											
1985	A	4.0	3.1	4.9	7.7	8.5	8.4	6.2	5.2	-8.4	..	..	10.9
	M	4.4	3.1	4.9	8.0	9.1	6.0	6.7	6.0	-4.4	..	..	11.5
	J	4.1	5.5	4.9	8.7	9.2	3.4	7.0	6.4	-1.1	..	..	12.5
	J	4.6	5.3	4.5	7.2	8.9	1.6	7.0	6.4	1.8	..	..	12.5
	A	5.3	4.7	4.1	8.0	8.9	0.5	6.7	6.1	3.7	..	..	13.1
	S	4.5	5.2	3.5	8.1	9.3	-0.7	6.3	5.7	5.2	..	..	13.5
	O	3.9	5.1	3.0	9.9	8.3	-2.3	5.8	4.8	5.3	..	..	12.7
	N	3.4	6.0	2.4	10.4	8.2	-3.9	5.6	5.4	5.8	..	..	13.0
	D	3.5	5.2	2.2	9.3	7.8	-5.4	5.5	4.2	6.3	..	..	13.0
1986	J	3.7	4.2	2.3	7.1	8.6	-6.4	5.6	4.3	6.6	..	..	12.8
	F	3.3	3.2	2.3	6.2	8.4	-8.0	5.4	4.3	6.0	..	..	12.7
	M	4.1	2.2	2.7	7.1	8.3	-9.6	4.9	3.8	4.3	..	..	14.1
	A	4.7	2.2	2.7	6.9	8.4	-10.2	4.1	2.7	1.1	..	..	16.2
	M	4.3	0.7	2.9	6.5	8.2	-9.8	3.3	1.7	-1.4	..	..	17.5
	J			2.9	8.3		-8.8	2.8	0.9	-3.5	..	..	18.1

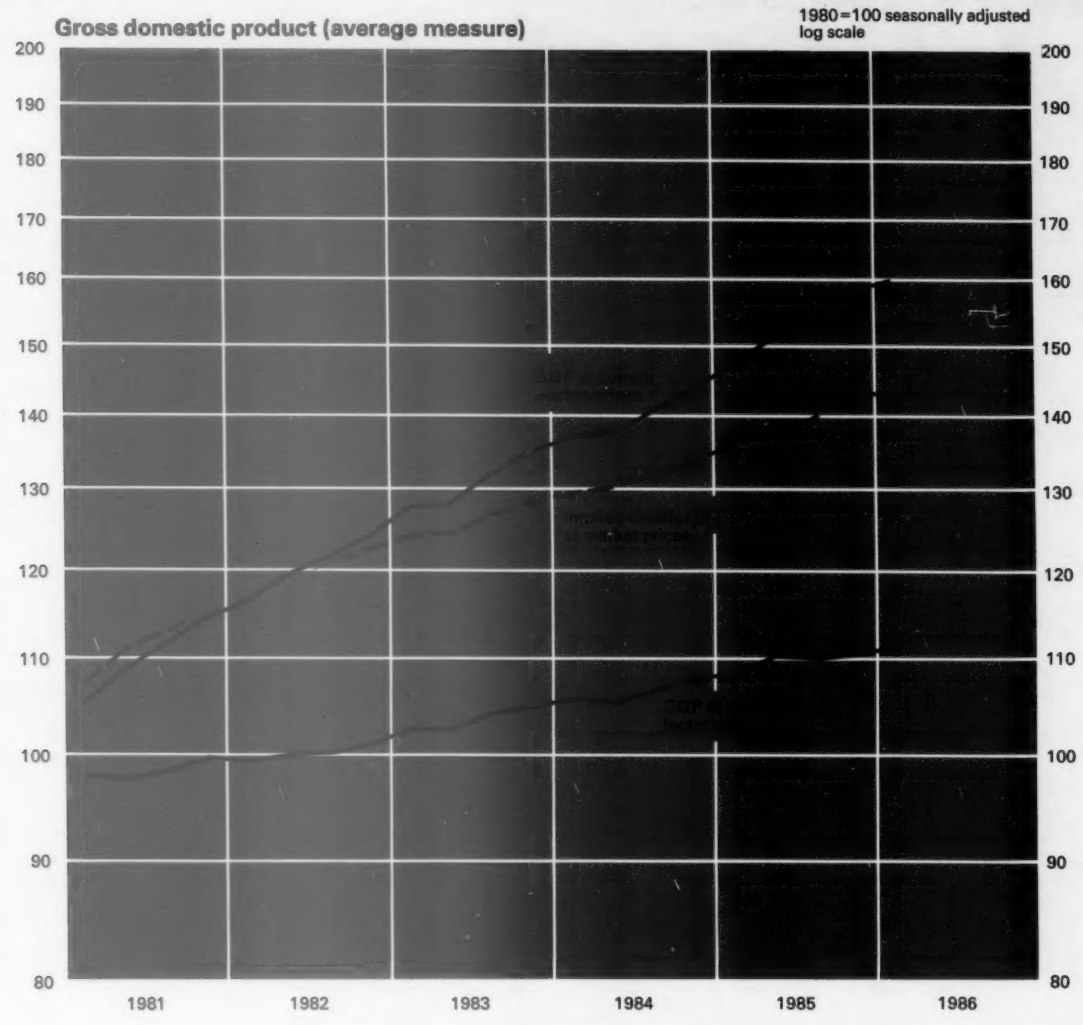
1 Data given may not be wholly consistent with that shown elsewhere in the publication.
2 This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
3 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
4 The retail sales index has been rebased using detailed information for 1982.
5 Unemployed excluding school leavers.
6 See footnote 2 on page 38.
7 Vacancies notified to job centres. Figures were distorted in April and May 1985 due to a change in administrative arrangements leading to an artificial increase in April. Figures for May should be minimally affected.
8 See footnote 7 on page 38. 9 See footnote 8 on page 38.
10 The seasonal adjustment factors currently used are based on data up to December 1982.
11 Purchased by manufacturing industry. (Revised definition)
12 See footnote 2 on page 50.

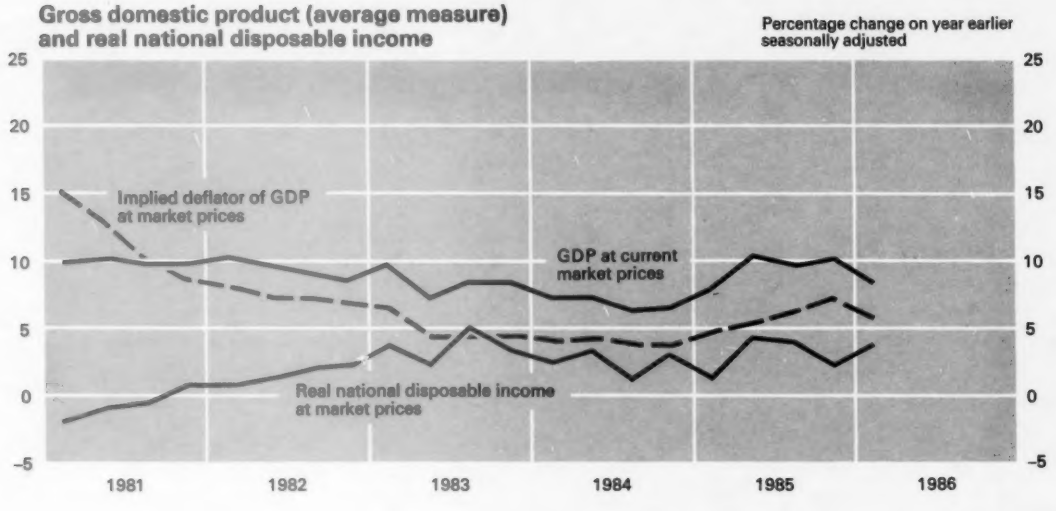
National accounts aggregates (1)

Seasonally adjusted

		Gross domestic product: At market prices: At current prices: £ billion: average estimate CAOA	Gross domestic product: At market prices: At current prices: 1980=100: average estimate DJDM	Gross domestic product: At market prices: At 1980 prices: 1980=100: average estimate FNAC	Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: expenditure data FNAD	Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: income data FNAE	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: average estimate+ DJDB	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: expenditure data+ DJDF	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: income data(3)+ DJDC	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: output data+ DIAX	National disposable income at 1980 market prices: 1980=100: average estimate DJCR	Implied gross domestic product deflator 1980=100: At factor cost: Based on: expenditure data(4) DJCI	Implied gross domestic product deflator 1980=100: At market prices: Based on: expenditure data DJCU
1976		124.5	54.1	94.1	113.6	110.4	94.4	96.1	93.4	93.8	92.4	59.3	57.5
1977		145.2	63.1	96.4	128.9	128.8	96.9	97.2	97.0	96.5	93.9	66.6	65.5
1978		167.5	72.8	100.0	148.7	148.0	99.8	100.0	99.5	99.8	98.6	74.6	72.9
1979		196.9	85.6	102.6	171.2	171.4	102.4	102.2	102.2	103.0	101.8	84.1	83.4
1980		230.1	100.0	100.0	199.2	199.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		253.1	110.0	98.5	217.7	217.1	98.6	98.9	98.5	98.3	99.3	110.5	111.8
1982		276.8	120.3	100.3	235.4	237.7	100.4	100.1	101.0	100.1	101.0	118.0	120.0
1983		300.5	130.6	103.5	258.0	259.6	103.7	103.8	104.3	103.1	104.7	124.8	126.1
1984		321.2	139.6	105.4	274.5	279.4	106.4	105.5	107.3	106.4	107.5	130.5	131.2
1985		351.6	152.8	109.9	299.8	305.8	110.0	108.8	110.9	110.2	110.8	138.3	139.1
		CAOB	DJCL	FNAO	FNAP	FNAQ	DJDD	DJDE	DIAR	DSAE	DJDN	DJCM	DJDT
1980	4	59.8	104.0	98.5	52.3	51.5	98.2	99.3	97.5	97.7	99.3	105.8	105.6
1981	1	60.6	105.4	97.7	53.6	51.8	98.0	99.7	96.5	97.6	99.7	107.8	107.9
	2	62.7	108.9	98.0	53.6	53.2	97.8	98.2	97.4	97.8	99.0	109.5	111.1
	3	64.1	111.5	98.5	54.4	55.2	98.5	97.7	99.1	98.8	98.8	111.8	113.1
	4	65.7	114.3	99.5	56.1	56.9	100.0	99.8	101.1	99.0	100.1	112.9	114.9
1982	1	66.9	116.3	99.6	56.8	57.0	99.8	100.0	100.3	99.2	100.5	114.0	116.7
	2	68.7	119.5	100.1	58.5	59.4	100.3	99.7	101.3	100.0	100.3	117.7	119.3
	3	69.9	121.5	100.2	58.9	60.2	100.3	99.2	101.3	100.5	100.8	119.2	121.3
	4	71.4	124.1	101.0	61.2	61.1	101.1	101.4	101.2	100.8	102.4	121.2	122.8
1983	1	73.5	127.8	102.7	63.3	63.1	102.9	103.6	103.2	101.7	104.4	122.6	124.4
	2	73.6	128.0	102.6	62.9	64.1	102.8	102.3	104.0	102.1	102.6	123.5	124.7
	3	75.9	132.0	104.1	65.3	65.6	104.3	104.3	104.7	103.8	106.0	125.7	126.8
	4	77.5	134.8	104.9	66.5	66.8	105.0	104.8	105.2	105.0	106.0	127.4	128.5
1984	1	78.8	137.0	105.8	67.7	68.2	105.8	105.6	106.3	105.6	107.1	128.8	129.5
	2	79.0	137.3	105.5	67.8	68.6	105.4	104.7	105.9	105.6	106.2	130.0	130.2
	3	80.7	140.3	106.7	68.5	70.6	106.8	105.3	106.4	106.7	107.4	130.7	131.6
	4	82.6	143.7	107.7	70.5	72.0	107.7	106.6	108.9	107.5	109.3	132.7	133.4
1985	1	85.0	147.8	108.7	73.0	74.1	108.7	107.7	109.3	109.1	108.6	135.9	135.9
	2	87.0	151.4	110.1	74.2	76.2	110.4	109.1	111.9	110.2	110.9	136.6	137.4
	3	88.5	153.9	110.1	75.2	76.9	110.1	108.8	111.1	110.4	111.7	138.9	139.8
	4	91.1	158.4	110.7	77.4	78.6	110.6	109.6	111.1	111.2	111.9	141.9	143.1
1986	1	92.1	160.2	111.5	78.9	79.6	111.4	110.9	111.8	111.4	112.7	142.9	143.8
		Percentage change, quarter on corresponding quarter of previous year											
1980	4	+13.0	+13.2	-4.4	+14.7	+12.7	-4.8	-3.4	-5.3	-5.8	-2.6	+18.9	+18.4
1981	1	+10.0	+10.0	-4.3	+13.6	+8.4	-3.8	-1.3	-5.7	-4.9	-1.8	+14.9	+15.2
	2	+10.4	+10.2	-2.4	+10.3	+6.8	-2.8	-1.3	-4.3	-2.9	-0.9	+11.7	+13.0
	3	+9.8	+9.9	-0.5	+6.5	+9.7	-0.8	-2.5	+0.7	-0.3	-0.5	+9.2	+10.3
	4	+9.9	+9.9	+1.0	+7.3	+10.5	+1.8	+0.5	+3.7	+1.3	+0.8	+6.7	+8.8
1982	1	+10.4	+10.3	+1.9	+6.0	+10.0	+1.8	+0.3	+3.9	+1.6	+0.8	+5.8	+8.2
	2	+9.6	+9.7	+2.1	+9.1	+11.7	+2.6	+1.5	+4.0	+2.3	+1.3	+7.5	+7.4
	3	+9.0	+9.0	+1.7	+8.3	+9.1	+1.8	+1.5	+2.2	+1.7	+2.0	+6.6	+7.3
	4	+8.7	+8.6	+1.5	+9.1	+7.4	+1.1	+1.6	+0.1	+1.8	+2.3	+7.4	+6.9
1983	1	+9.9	+9.9	+3.1	+11.4	+10.7	+3.1	+3.6	+2.9	+2.5	+3.9	+7.5	+6.6
	2	+7.1	+7.1	+2.5	+7.5	+7.9	+2.5	+2.6	+2.7	+2.1	+2.3	+4.9	+4.5
	3	+8.6	+8.6	+3.9	+10.9	+9.0	+4.0	+5.1	+3.4	+3.3	+5.2	+5.5	+4.5
	4	+8.5	+8.6	+3.9	+8.7	+9.3	+3.9	+3.4	+4.0	+4.2	+3.5	+5.1	+4.6
1984	1	+7.2	+7.2	+3.0	+7.0	+8.1	+2.8	+1.9	+3.0	+3.8	+2.8	+5.1	+4.1
	2	+7.3	+7.3	+2.8	+7.8	+7.0	+2.5	+2.3	+1.8	+3.4	+3.5	+5.3	+4.4
	3	+6.3	+6.3	+2.5	+4.9	+7.6	+2.4	+0.9	+3.5	+2.8	+1.3	+4.0	+3.8
	4	+6.6	+6.6	+2.7	+6.0	+7.8	+2.6	+1.7	+3.5	+2.4	+3.1	+4.2	+3.8
1985	1	+7.9	+7.9	+2.7	+7.8	+8.7	+2.7	+2.1	+2.8	+3.3	+1.4	+5.5	+4.9
	2	+10.1	+10.3	+4.4	+9.4	+11.1	+4.7	+4.2	+5.7	+4.4	+4.4	+5.1	+5.5
	3	+9.7	+9.7	+3.2	+9.8	+8.9	+3.1	+3.3	+2.5	+3.5	+4.0	+6.3	+6.2
	4	+10.3	+10.2	+2.8	+9.8	+9.2	+2.7	+2.8	+2.0	+3.4	+2.4	+6.9	+7.3
1986	1	+8.4	+8.4	+2.6	+8.1	+7.4	+2.5	+2.9	+2.3	+2.1	+3.8	+5.2	+5.8

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Figures in £ million are given on page 14.
3 Income data deflated by the implied GDP deflator at factor cost.
4 Also known as the index of total home costs.


Gross domestic product (average measure)
1980=100 seasonally adjusted
log scale
200
190
180
170
160
150
140
130
120
110
100
90
80
1981
1982
1983
1984
1985
1986


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
25
20
15
10
5
0
–5
Implied deflator of GDP
at market prices
GDP at current
market prices
Real national disposable income
at market prices
1981
1982
1983
1984
1985
1986

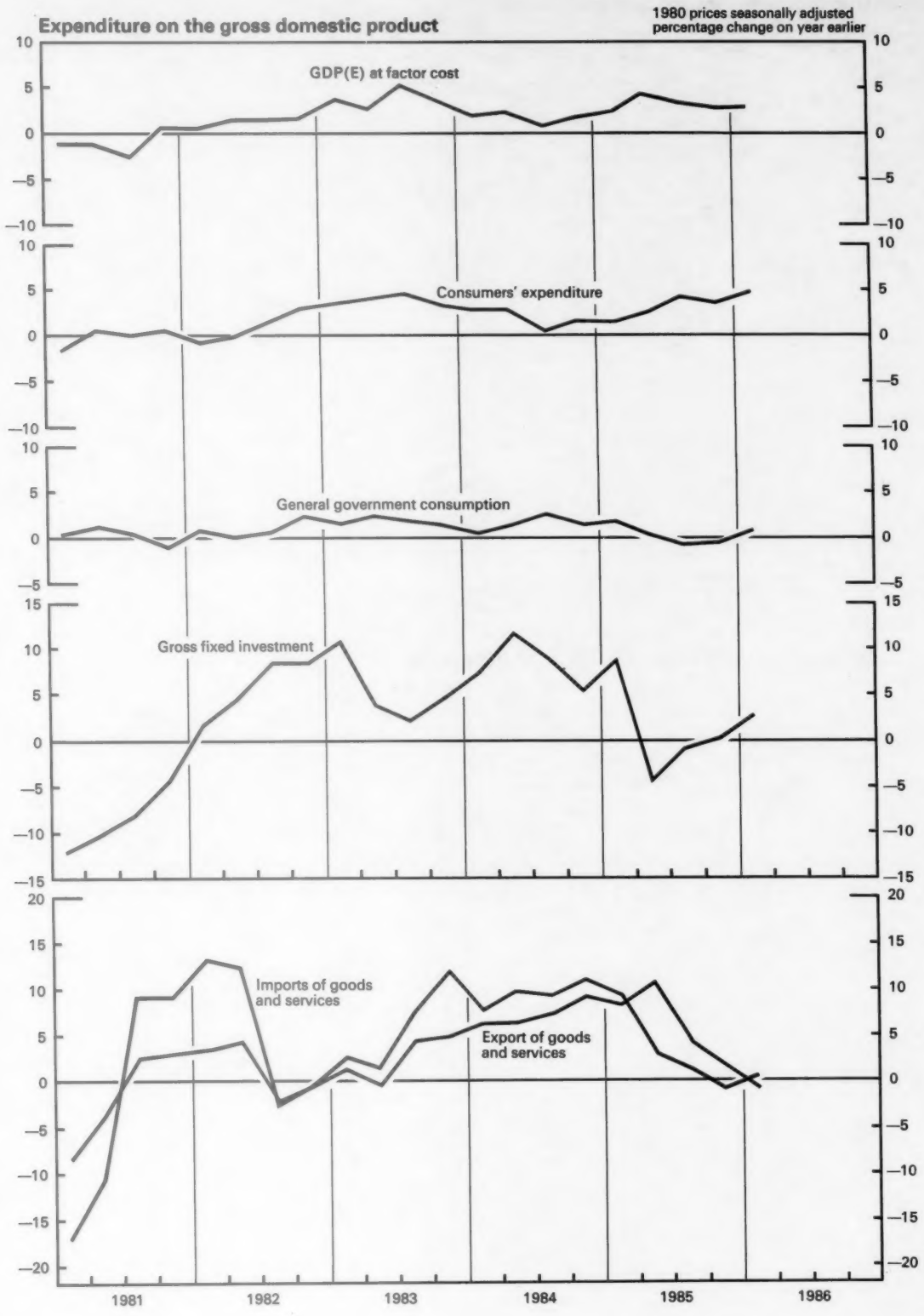
Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1980 prices

		Gross domestic product at factor cost-expenditure based(1)	Final expenditure on goods and services at market prices									Adjustment to factor cost
			Total(1)	Consumers' expenditure	General government consumption			Gross fixed investment	Stock building	Exports of goods and services	Imports of goods and sevices	
					Total(1)	Central government	Local authorities					
		DJCW	DJDA	CCBH	DJCZ	DJDK	DJDL	DFDM	DHBK	DJCV	DJCY	DJCU
1978		199 259	284 510	131 621	47 220	28 676	18 544	42 726	2 206	60 735	54 203	31 048
1979		203 546	295 327	137 552	48 257	29 170	19 087	43 855	2 534	63 129	59 891	31 890
1980		199 246	287 729	136 995	48 906	29 940	18 966	41 588	-2 875	63 115	57 718	30 765
1981		196 987	282 926	136 511	48 943	30 144	18 799	37 914	-2 484	62 042	55 918	30 021
1982		199 416	288 724	137 592	49 364	30 392	18 972	40 099	-1 121	62 790	58 744	30 562
1983		206 741	300 401	142 907	50 241	30 910	19 331	42 179	673	64 401	62 123	31 537
1984		210 265	310 998	145 551	50 927	31 215	19 712	45 600	-142	69 062	68 015	32 718
1985		216 780	320 616	149 621	50 996	31 493	19 503	45 947	663†	73 389	70 162	33 684
		DJDH	DIAU	CAAB	DIAT	DIAV	DIAW	DECU	DGBA	DJDG	DJDJ	DIAS
1979	1	49 351	71 186	33 646	11 846	7 244	4 702	10 684	862	14 058	13 853	7 962
	2	51 471	75 236	35 218	12 113	7 334	4 779	10 918	292	16 695	15 352	8 413
	3	51 529	74 454	34 140	12 087	7 305	4 782	11 143	936	16 148	15 271	7 654
	4	51 195	74 441	34 548	12 111	7 287	4 824	11 110	444	16 228	15 415	7 831
1980	1	50 302	73 814	34 967	12 230	7 413	4 817	10 606	-486	16 497	15 534	7 978
	2	49 548	72 193	34 013	12 101	7 379	4 722	10 572	-328	15 835	15 045	7 600
	3	49 937	71 180	34 097	12 226	7 519	4 707	10 334	-865	15 368	13 754	7 489
	4	49 459	70 542	33 918	12 349	7 629	4 720	10 076	-1 196	15 395	13 385	7 698
1981	1	49 673	69 909	34 293	12 239	7 554	4 685	9 314	-1 073	15 136	12 858	7 378
	2	48 929	70 015	34 133	12 239	7 556	4 683	9 483	-1 096	15 256	13 449	7 637
	3	48 687	71 289	34 036	12 267	7 519	4 748	9 489	-292	15 789	15 002	7 600
	4	49 698	71 713	34 049	12 198	7 515	4 683	9 628	-23	15 861	14 609	7 406
1982	1	49 825	71 973	33 967	12 328	7 630	4 698	9 486	511	15 681	14 561	7 587
	2	49 681	72 390	34 063	12 232	7 533	4 699	9 909	269	15 917	15 110	7 599
	3	49 402	71 632	34 501	12 320	7 572	4 748	10 278	-886	15 419	14 582	7 648
	4	50 510	72 729	35 061	12 484	7 657	4 827	10 426	-1 015	15 773	14 491	7 728
1983	1	51 619	74 392	35 175	12 529	7 712	4 817	10 509	296	15 883	14 961	7 812
	2	50 966	74 099	35 436	12 522	7 673	4 849	10 288	12	15 841	15 326	7 807
	3	51 943	75 477	36 075	12 533	7 722	4 811	10 480	256	16 133	15 625	7 909
	4	52 213	76 433	36 221	12 657	7 803	4 854	10 902	109	16 544	16 211	8 009
1984	1	52 582	76 831	36 175	12 566	7 739	4 827	11 252	-24	16 862	16 120	8 129
	2	52 159	77 139	36 416	12 678	7 739	4 939	11 470	-265	16 840	16 830	8 150
	3	52 429	77 635	36 206	12 852	7 832	5 020	11 405	-142	17 314	17 066	8 140
	4	53 095	78 393	36 754	12 831	7 905	4 926	11 473	289	18 046	17 999	8 299
1985	1	53 670	79 658	36 607	12 802	7 979	4 823	12 245	-216	18 220	17 842	8 346
	2	54 336	80 042	37 291	12 685	7 797	4 888	10 928	465	18 673	17 374	8 332
	3	54 172	79 925	37 697	12 740	7 874	4 866	11 295	77	18 116	17 290	8 463
	4	54 582	80 991	38 026	12 769	7 843	4 926	11 479	337	18 380	17 856	8 553
1986	1	55 240	81 586	38 316	12 914	8 058	4 856	11 916	388	18 052	17 747	8 599
		Percentage change, quarter on corresponding period of previous year										
1980	4	-3.4	-5.2	-1.8	+2.0	+4.7	-2.2	-9.3	..	-5.1	-13.2	-1.7
1981	1	-1.3	-5.3	-1.9	+0.1	+1.9	-2.7	-12.2	..	-8.3	-17.2	-7.5
	2	-1.3	-3.0	+0.4	+1.1	+2.4	-0.8	-10.3	..	-3.7	-10.6	+0.5
	3	-2.5	+0.2	-0.2	+0.3	-	+0.9	-8.2	..	+2.6	+9.1	+1.5
	4	+0.5	+1.7	+0.4	-1.2	-1.5	-0.8	-4.4	..	+3.0	+9.1	-3.8
1982	1	+0.3	+3.0	-1.0	+0.7	+1.0	+0.3	+1.8	..	+3.6	+13.2	+2.8
	2	+1.5	+3.4	-0.2	-0.1	-0.3	+0.3	+4.5	..	+4.3	+12.4	-0.5
	3	+1.5	+0.5	+1.4	+0.4	+0.7	-	+8.3	..	-2.3	-2.8	+0.6
	4	+1.6	+1.4	+3.0	+2.3	+1.9	+3.1	+8.3	..	-0.6	-0.8	+4.3
1983	1	+3.6	+3.4	+3.6	+1.6	+1.1	+2.5	+10.8	..	+1.3	+2.7	+3.0
	2	+2.6	+2.4	+4.0	+2.4	+1.9	+3.2	+3.8	..	-0.5	+1.4	+2.7
	3	+5.1	+5.4	+4.6	+1.7	+2.0	+1.3	+2.0	..	+4.6	+7.2	+3.4
	4	+3.4	+5.1	+3.3	+1.4	+1.9	+0.6	+4.6	..	+4.9	+11.9	+3.6
1984	1	+1.9	+3.3	+2.6	+0.3	+0.4	+0.2	+7.1	..	+5.2	+7.7	+4.1
	2	+2.3	+4.1	+2.6	+1.2	+0.9	+1.9	+11.5	..	+6.3	+9.8	+4.4
	3	+0.9	+2.9	+0.4	+2.5	+1.4	+4.3	+8.8	..	+7.3	+9.2	+2.9
	4	+1.7	+3.9	+1.5	+1.4	+1.3	+1.5	+5.2	..	+9.1	+11.0	+3.6
1985	1	+2.1	+3.7	+1.2	+1.9	+3.1	-0.1	+8.8	..	+8.1	+9.4	+2.7
	2	+4.2	+3.8	+2.4	+0.1	+0.8	-1.0	-4.7	..	+10.9	+3.2	+2.2
	3	+3.3	+3.0	+4.1	-0.9	+0.5	-3.1	-1.0	..	+4.6	+1.3	+4.0
	4	+2.8	+2.0	+3.5	-0.5	-0.8	-	+0.1	..	+1.9	-0.8	+3.1
1986	1	+2.9	+2.4	+4.7	+0.9	+1.0	+0.7	-2.7	..	-0.9	+0.6	+3.0

1 For years up to and including 1977, totals differ from the sum of the components because of the method used to rebase on 1980 prices.


Expenditure on the gross domestic product
1980 prices seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Imports of goods and services
Export of goods and services
1981
1982
1983
1984
1985
1986

Personal disposable income and consumption

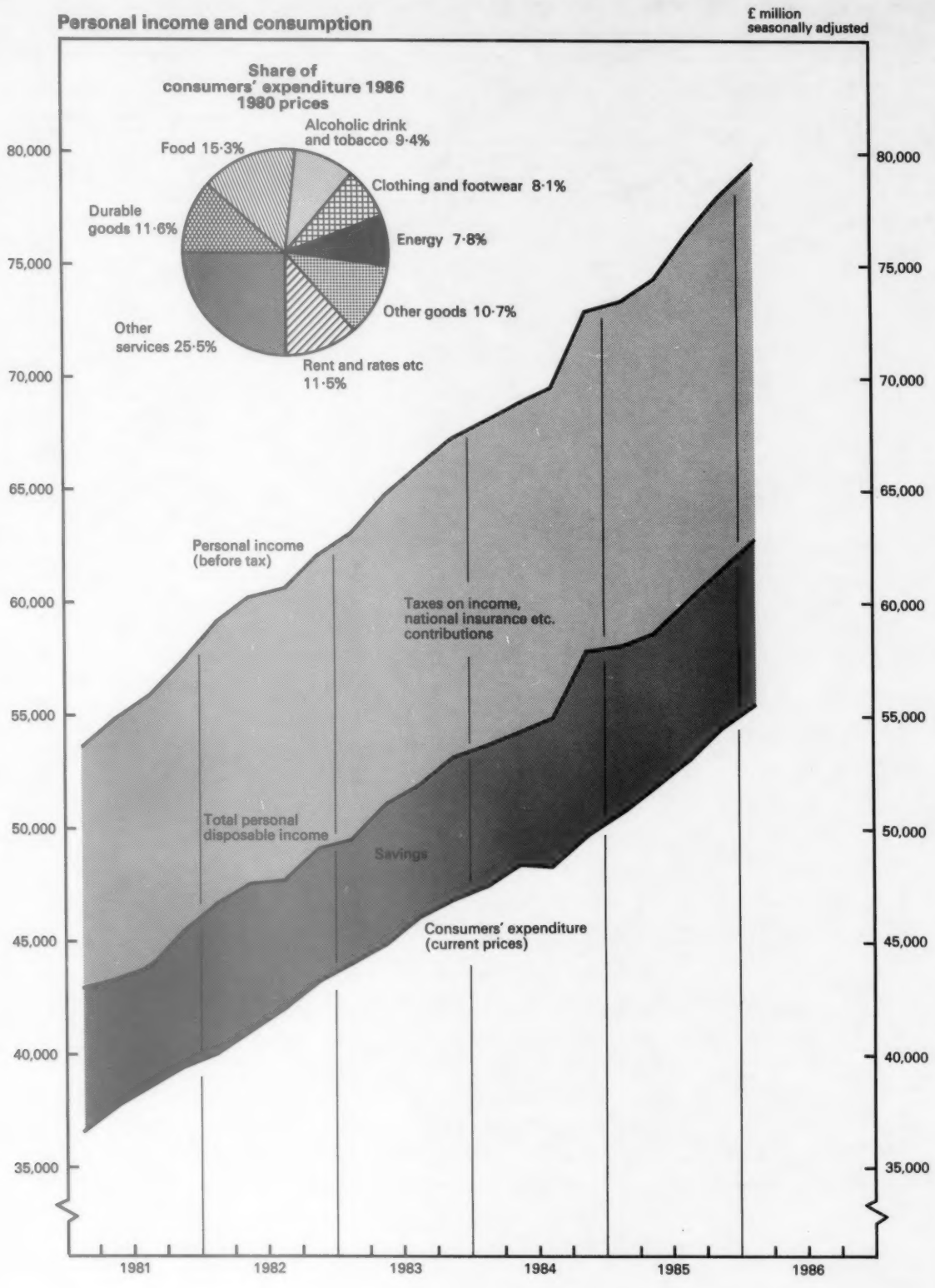
	Seasonally adjusted							
	£ million, current prices				Percentage	1980 prices		
	Personal income before tax		Total personal disposable income(2)	Consumers' expenditure(3)	Personal saving ratio(4)	Real personal disposable income(5)		Real consumers' expenditure(3)
	Total(1)	of which: Wages, salaries and forces pay				£ million+	1980 = 100	£ million
	AIIA	AIJA	AIIJ	AIIK	AIIN	CFAG	CFAE	CCBH
1982	242 164†	136 681	191 110†	166 564	12.8	157 868†	97.9	137 592
1983	281 164	146 714	205 805	182 039	11.5†	161 564	100.2	142 907†
1984	279 636	156 021	220 993	194 173	12.1	165 655	102.8†	145 551
1985	302 160	169 841	238 727	210 206	11.9	169 922	105.4	149 621
	AIIQ	AIJB	AIIW	AIIX	AIIZ	CFAH	CFAF	CAAB
1982 2	60 333†	34 017	47 577†	41 048	13.7	39 473†	98.0	34 063
3	60 546	34 350	47 659	42 070	11.7	39 077	97.0	34 501
4	62 143	34 858	49 172	43 364	11.8	39 749	98.6†	35 061
1983 1	63 052	35 827	49 499	44 120†	10.9	39 465	97.9	35 175
2	64 769	36 349	51 084	44 922	12.1	40 298	100.0	35 436
3	66 016	36 930	51 998	46 118	11.3	40 674	100.9	36 075†
4	67 327	37 608	53 225	46 879	11.9	41 127	102.1	36 221
1984 1	68 196	38 080†	53 761	47 496	11.7	40 951	101.6	36 175
2	68 929	38 487	54 356	48 476	10.8†	40 838	101.3	36 416
3	69 523	39 070	54 987	48 415	12.0	41 125	102.1	36 206
4	72 988	40 384	57 889	49 786	14.0	42 741	106.1	36 754
1985 1	73 331	41 153	58 138	50 746	12.7	41 938	104.1	36 607
2	74 341	42 016	58 667	51 897	11.5	42 155	104.6	37 291
3	76 305	42 957	60 095	53 085	11.7	42 690	105.9	37 697
4	78 183	43 705	61 827	54 498	11.9	43 139	107.1	38 026
1986 1	79 557	44 677	62 897	55 514	11.7	43 412	107.7	38 316

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 This table is revised and brought up to date in the January, April, July and October issues. The table below may show more up to date figures for consumers' expenditure.
4 Personal savings as a percentage of personal disposable income.
5 Personal income revalued by the implied consumers' expenditure deflator (1980 = 100).

Real consumers' expenditure – component categories

	Seasonally adjusted								
	£ million, 1980 prices								
			Other goods					Other services	
	Total	Durable goods: total	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent and rates etc.	Other services(1)
	CCBH	CCBI	CCBM	FCCA	FCCB	CCBS	CCCK	CCCL	CCBV
1982	137 592	14 475	22 587	13 498	10 141	11 038	14 623	16 510	34 720
1983	142 907	16 629	23 019	13 613	10 823	11 129	14 915	16 737	35 842
1984	145 551	16 805	22 739	13 926	11 416	11 239	15 479	16 968	36 979
1985	149 621	17 412	22 919	14 058	12 187	11 703	15 975	17 200	38 167
	CAAB	CCBW	CCCA	FCCD	FCCE	CCCG	CCCM	CCCN	CCCJ
1982 2	34 063	3 427	5 694	3 381	2 496	2 727	3 620	4 122	8 596
3	34 501	3 702	5 618	3 332	2 535	2 788	3 670	4 136	8 720
4	35 061	4 000	5 678	3 394	2 585	2 792	3 680	4 150	8 782
1983 1	35 175	4 091	5 696	3 414	2 627	2 734	3 699	4 163	8 751
2	35 436	4 000	5 699	3 403	2 698	2 847	3 697	4 179	8 913
3	36 075	4 274	5 796	3 491	2 728	2 783	3 723	4 192	9 088
4	36 221	4 264	5 828	3 505	2 770	2 765	3 756	4 203	9 090
1984 1	36 175	4 175	5 743	3 492	2 748	2 863	3 750	4 212	9 192
2	36 416	4 234	5 731	3 471	2 832	2 800	3 871	4 238	9 239
3	36 206	4 089	5 603	3 458	2 899	2 783	3 887	4 253	9 234
4	36 754	4 307	5 662	3 505	2 937	2 793	3 971	4 265	9 314
1985 1	36 607	4 122	5 665	3 484	3 003	2 922	3 907	4 280	9 224
2	37 291	4 290	5 680	3 506	3 080	2 892	3 990	4 295	9 558
3	37 697	4 532	5 820	3 482	3 064	2 962	3 995	4 309	9 533
4	38 026	4 486	5 754	3 586	3 040	2 927	4 083	4 316	9 852
1986 1	38 316	4 397	5 900	3 447	3 153	3 106	3 986	4 329	9 998

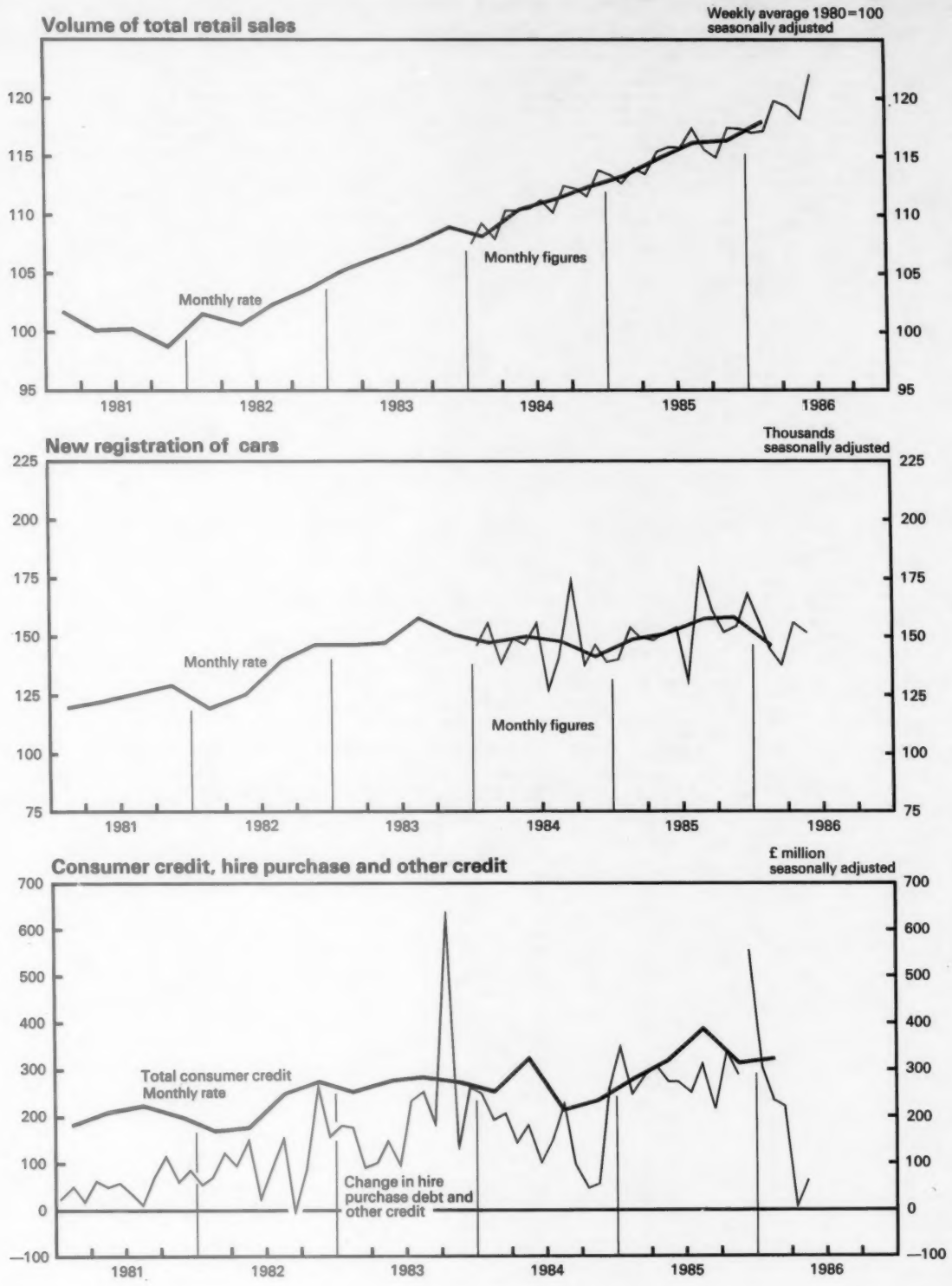
1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1986
1980 prices
Alcoholic drink
and tobacco 9·4%
Food 15·3%
Clothing and footwear 8·1%
Durable
goods 11·6%
Energy 7·8%
Other goods 10·7%
Other
services 25·5%
Rent and rates etc
11·5%
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
1981
1982
1983
1984
1985
1986

Retail sales, new registrations of cars and consumer credit (Great Britain)

		Seasonally adjusted										
		Weekly average 1980=100							Thousands(1)	£ million		
		Value of retail Sales(2,3)	Volume of retail sales (2,3)							Consumer credit	Hire purchase and other credit business(4)	
		Total(5)	Total(5)	Food retailers(5)	Mixed retail businesses(5)	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars+(6)	Change in total outstanding	New credit extended	Change in amounts outstanding(7)
Sales in 1980 £ million		58 377	58 377	22 859	10 930	5 413	9 146	10 029				
		FAAA	FAAB	FAAC	FAAD	FAAE	FAAF	FAAG	DKBY	AIKL	AGTJ	AGTB
1981		108.2	100.2	100.7	100.4	97	102	99	125	2 473	7 861	+640
1982		117.1	102.2	101.6	103.9	100	106	99	132	2 621†	9 087	+1 270
1983		127.6	107.1	105.8	109.4	108	115	100	150	3 284	10 524	+2 500
1984		137.5	110.7	108.4	113.6	114	120	102	147	3 100	11 509	+1 918
1985		149.5	115.3	112.6	119.3	122	127	103	154†	3 934	13 365	+3 134
		FAAL	FAAM	FAAN	FAAO	FAAP	FAAQ	FAAR		AIKM	AGTU	AGTM
1983	1	123.5	105.4	104.2	107.1	104	114	99	146	768	2 516	+450
	2	125.9	106.6	105.1	108.6	107	115	100	147	833	2 549	+343
	3	129.0	107.7	106.4	110.3	109	115	100	158	858	2 679	+674
	4	131.9	109.0	107.5	111.7	110	118	101	151	825	2 780	+1 033
1984	1	132.3	108.3	107.2	110.6	110	117	100	147	765	2 874	+849
	2	136.7	110.4	108.2	113.2	114	119	102	150†	973	2 876	+426
	3	139.2	111.3	108.6	114.4	116	121	102	148	649	2 813	+475
	4	141.9	112.6	109.5	116.2	118	123	103	141	713	2 946	+368
1985	1	144.7	113.4	111.0	117.7	119	124	102	148	843	3 109	+892
	2	148.5	115.0	112.2	119.3	123	125	103	151	972	3 082	+863
	3	151.6	116.3	113.6	120.3	122	128	104	157	1 175	3 374	+785
	4	153.3	116.6	113.7	119.9	123	129	105	158	944	3 678	+631
1986	1	156.2	118.0	116.0	122.1	125	130	104	146	975†	4 500	+764
		FABA	DKCD	FABC	FABD	FABE	FABF	FABG				
1984	J	138.6	111.1	108.6	114.7	115	121	102	127	..	991	+148
	A	137.8	110.1	108.2	112.3	112	119	103	142	..	933	+229
	S	140.8	112.5	109.0	116.0	121	123	103	175	..	889	+98
	O	140.9	112.2	109.1	115.8	119	122	102	137	..	1 006	+47
	N	140.5	111.6	109.3	114.4	116	121	102	147	..	968	+58
	D	143.7	113.9	110.0	117.8	119	126	105	139	..	972	+263
1985	J	144.0	113.4	110.8	117.1	119	124	103	140	..	1 111	+350
	F	143.7	112.8	110.6	117.8	117	123	101	154	..	1 011	+250
	M	146.1	114.0	111.4	118.0	121	125	102	149	..	987	+292
	A	146.2	113.5	110.7	117.8	121	124	102	148	..	1 085	+310
	M	148.7	115.3	112.7	119.9	123	124	104	151	..	1 041	+276
	J	150.1	115.9	113.0	120.0	124	127	104	154	..	976	+277
	J	150.3	115.9	113.6	118.8	122	128	104	131	..	1 121	+252
	A	153.2	117.5	113.7	125.5	127	128	103	179	..	1 121	+315
	S	151.4	115.6	113.4	117.4	119	129	104	161	..	1 132	+218
	O	151.0	115.0	113.1	117.4	118	127	104	152	..	1 144	+341
	N	154.6	117.4	114.5	120.2	128	130	104	154	..	1 095	+290
	D	154.3	117.3	113.5	121.7	124	130	106	169	..	1 192 1 439	+558 -
1986	J	154.4	117.0	115.6	122.2	120	128	103	157	..	1 603	+305
	F	155.2	117.2	116.2	120.7	121	129	103	144	..	1 520	+237
	M	158.9	119.8	116.1	123.2	132	133	106	137	..	1 377	+222
	A	158.3	119.3	116.1	121.9	128	138	102	156	..	1 651†	+5†
	M	157.4	118.2† 122.0	114.0†	122.1†	129†	133†	104†	152†	.. ..	1 431	+67

1 Monthly averages.
2 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.
3 The retail sales index has been rebased using detailed information for 1982.
4 Credit extended by and repaid to finance houses, other specialist credit grantors and retailers, i.e. clothing retailers, household goods retailers, mixed retail businesses (other than co-operative societies) and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108-109 of Economic Trends No. 311, September 1979). There is a break at the end of 1985. Before this credit extended by finance houses and other specialist credit grantors excluded running-account and block discounted agreements. From January 1986 changes in amounts outstanding on dealer stock and property development loans are excluded.
5 These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
6 Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly effect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.
7 There is a break between 1978 and 1979. Prior to 1979 figures include interest payments due over the whole period of the loans; from 1979 onwards they are excluded.


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
120
115
110
105
100
95
Monthly rate
Monthly figures
1981
1982
1983
1984
1985
1986
New registration of cars
Thousands
seasonally adjusted
225
200
175
150
125
100
75
Monthly rate
Monthly figures
Consumer credit, hire purchase and other credit
£ million
seasonally adjusted
700
600
500
400
300
200
100
0
—100
Total consumer credit
Monthly rate
Change in hire
purchase debt and
other credit

Gross domestic product and shares of income and expenditure

Seasonally adjusted

		£ million			Per cent											
		Gross domestic product at current factor cost			Percentage share of total final expenditure						Percentage share of gross domestic product (income based)					
							Gross fixed investment					Gross trading profits		Income from self-employment(1)		
		Expenditure based	Income based	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Income from employment	Companies(1)	Other (1,2)		Other income(3)	
		DJAE	DJAL	DJAK	FBBD	FBBE	FBBF	FBBG	FBBH	FBBI	FBBJ	FBBK	FBBL	FBBM	FBBN	
1980		199 246	199 382	287 729	47.6	17.0	2.0	2.3	10.2	22.0	68.9	11.8	2.9	8.4	8.0	
1981		217 654	217 095	314 363	48.5	17.6	1.5	2.1	9.6	21.6	68.3	11.4	3.4	8.6	8.3	
1982		235 390	237 730	344 117	48.4	17.5	1.3	2.1	9.9	21.2	66.5	12.8	3.7	8.8	8.2	
1983		258 037	259 577	378 044	48.1	17.3	1.5	2.0	9.4	21.2	65.5	14.1	3.6	9.0	7.8	
1984		274 483	279 379	411 291	47.2	16.9	1.6	1.8	10.1	22.4	64.5	15.6	2.8	9.5	7.6	
1985		299 841	305 834	447 257	47.0	16.5	1.5	1.3	10.6	23.1	64.1	16.6	2.4	9.5	7.3	
		DJBA	DJBE	DIAB											FBBO	
1982	1	56 777	56 950	83 620	47.9	17.5	1.2	2.1	9.4	21.3	66.1	11.1	3.6		17.2	
	2	58 478	59 435	85 721	47.9	17.5	1.2	2.0	9.8	21.3	66.3	13.2	3.8		16.8	
	3	58 902	60 212	86 158	48.8	17.7	1.2	2.1	10.2	21.0	65.9	13.2	4.0		16.9	
	4	61 233	61 133	88 618	48.9	17.5	1.4	2.1	10.1	21.3	65.9	13.7	3.5		16.9	
1983	1	63 309	63 107	92 432	47.7	17.7	1.6	2.1	9.4	21.1	65.6	13.9	3.7		16.7	
	2	62 947	64 049	92 394	48.6	17.5	1.4	2.0	9.5	21.2	65.9	13.6	3.7		16.8	
	3	65 277	65 612	95 350	48.4	17.1	1.5	2.1	9.3	21.2	65.3	14.5	3.4		16.8	
	4	66 504	66 809	97 868	47.9	17.1	1.6	2.0	9.8	21.5	65.2	14.3	3.6		16.9	
1984	1	67 724	68 213	99 669	47.7	16.9	1.6	2.0	9.9	22.1	64.6	15.1	3.2		17.1	
	2	67 786	68 592	101 005	48.0	16.9	1.5	1.8	10.2	22.0	64.9	14.9	3.0		17.2	
	3	68 527	70 585	103 191	46.9	17.2	1.6	1.8	10.1	22.5	63.9	16.1	2.9		17.1	
	4	70 436	71 979	107 426	46.3	16.8	1.6	1.6	10.1	23.2	64.7	16.3	2.0		17.1	
1985	1	72 957	74 095	110 585	45.9	16.6	1.4	1.5	11.2	23.8	64.1	17.5	1.5		16.9	
	2	74 198	76 190	111 081	46.7	16.4	1.4	1.2	10.0	23.9	63.7	17.0	2.6		16.8	
	3	75 245	76 954	111 207	47.7	16.5	1.5	1.3	10.5	22.4	64.4	15.8	2.8		16.9	
	4	77 441	78 595	114 384	47.6	16.4	1.6	1.1	10.7	22.2	64.2	16.1	2.7		17.0	
1986	1	78 925	79 609	116 303	47.7	16.8	1.5	1.3	11.1	21.0	64.8	15.0	2.9		17.4	

1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

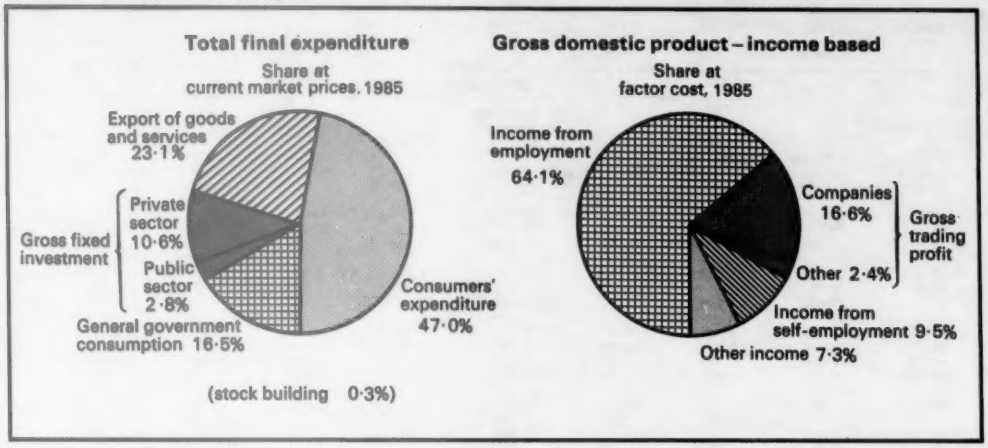
Income, product and spending per capita

Seasonally adjusted

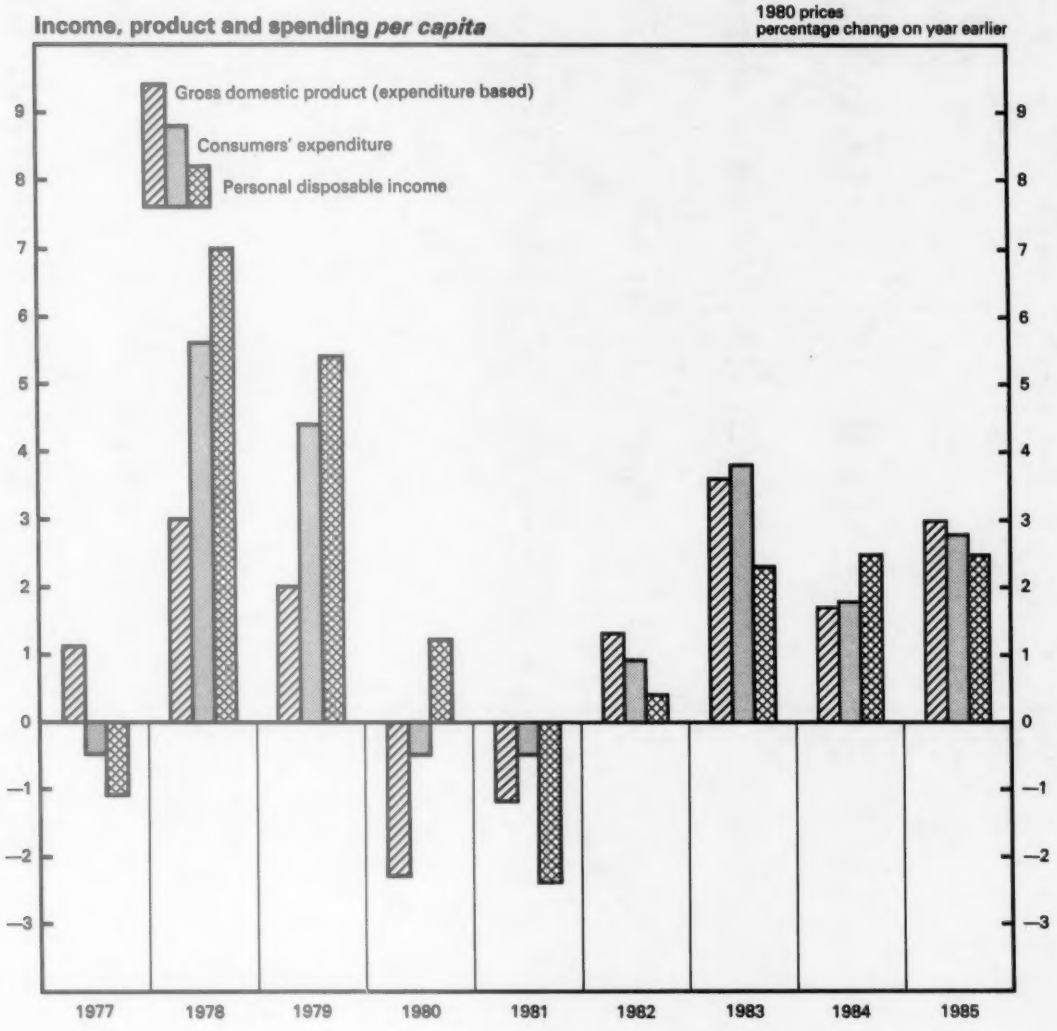
		£, current prices				£, 1980 prices		
		Gross national product(1)	Gross domestic product(1,2)	Consumers' expenditure	Personal disposable income	Gross domestic product(1,2)	Consumers' expenditure	Personal disposable income
		FBCA	FBCB	FBCC	FBCD	FBCE	FBCF	FBCH
1980		3 534	3 538	2 433	2 862	3 538	2 433	2 862
1981		3 877	3 861	2 700	3 114	3 494	2 421	2 792
1982		4 197	4 178	2 957	3 392	3 540	2 442	2 802
1983		4 621	4 577	3 229	3 651	3 667	2 535	2 866
1984		4 940	4 868	3 444	3 919†	3 729	2 581	2 938†
1985		5 369	5 314	3 726	4 231	3 842	2 662	3 012
								CAIU
1982	1	1 006	1 007	711	829	884	603	702
	2	1 044	1 038	729	844	882	605	701
	3	1 051	1 046	747	846	877	612	694
	4	1 096	1 087	770	873	897	622	705
1983	1	1 135	1 123	783	879	916	624	700
	2	1 121	1 117	797	906	904	629	715
	3	1 174	1 158	818	922	921	640	721
	4	1 191	1 179	831	944	926	642	730
1984	1	1 214	1 201	842	854†	933	641	726†
	2	1 217	1 203	860	864	925	646	724
	3	1 236	1 215	859	975	930	642	730
	4	1 273	1 249	883	1 026	941	652	758
1985	1	1 311	1 293	900	1 031	952	649	743
	2	1 327	1 315	920	1 040	963	661	747
	3	1 353	1 334	940	1 065	960	668	758
	4	1 378	1 372	966	1 095	967	674	784
1986	1	1 413	1 399	984	1 115	979	679	768

1 At factor cost.
2 Based on expenditure data.

Shares of income and expenditure



Income, product and spending *per capita*



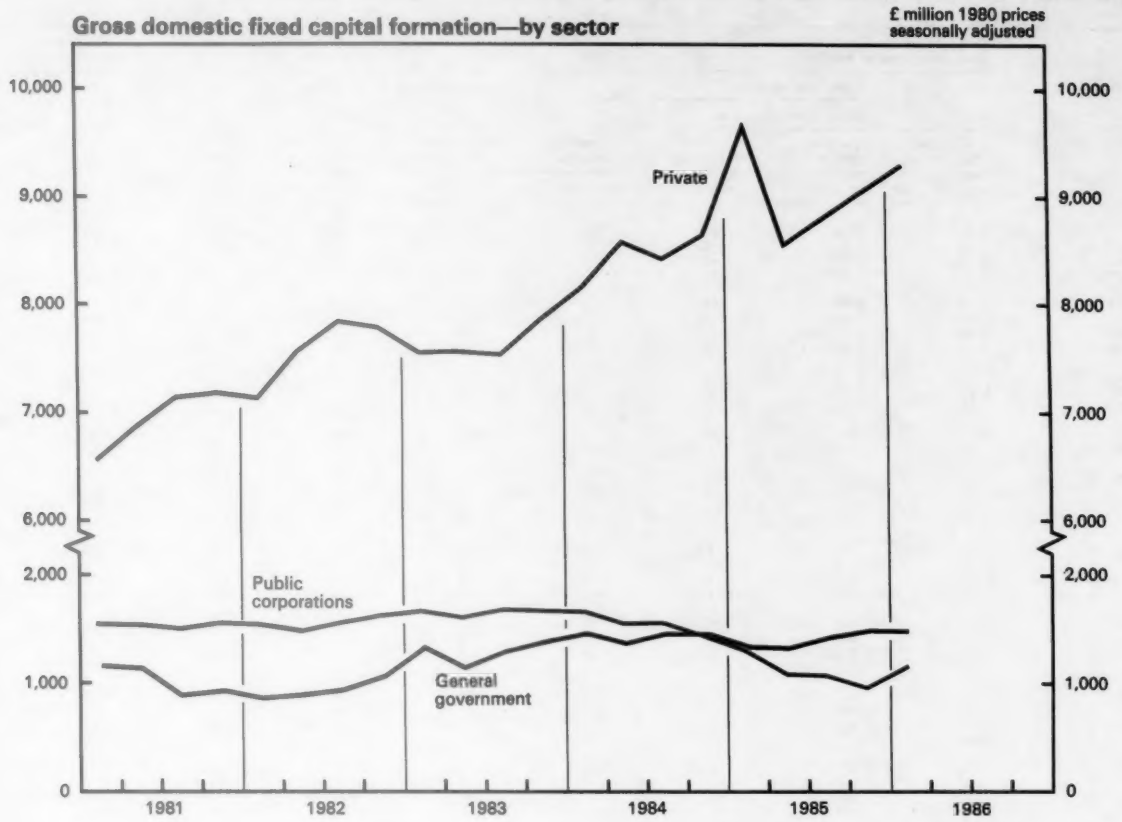
Gross domestic fixed capital formation by sector and by type of asset

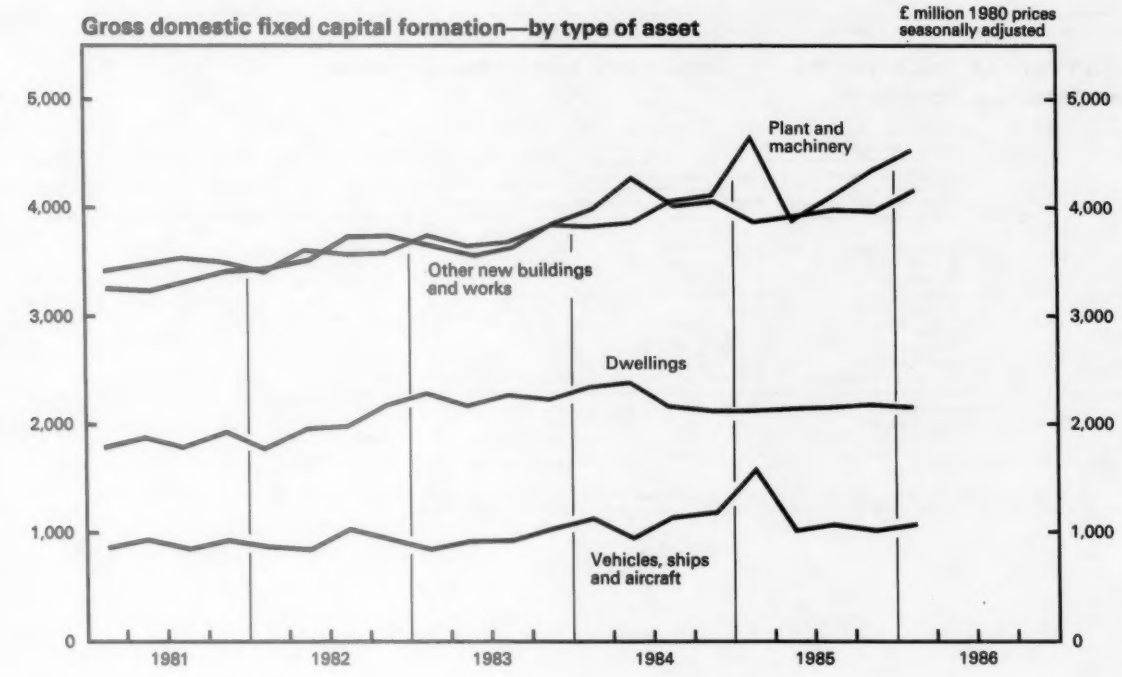
Seasonally adjusted

£ million, 1980 prices(1)

		Sector(2)			Type of asset					
					Dwellings					
		Total	Private sector	General government	Public corporations	Total	of which: Private	of which: Public	Other new building and works(3)	Vehicles, ships and aircraft	Plant and machinery
		DFDM	DFDQ	DFDS	DFCZ	DFDV	DFDP	DFDR	DFCU	DFEH	DFCY
1977		41 441	26 510	7 555	7 285	8 976	5 580	3 382	14 777	4 722	13 001
1978		42 726	29 201	6 718	6 807	9 048	5 934	3 114	14 563	5 187	13 928
1979		43 855	30 597	6 462	6 796	9 197	6 311	2 886	14 188	5 426	15 044
1980		41 588	29 395	5 554	6 639	8 456	5 883	2 573	13 568	4 584	15 002
1981		37 914	27 788	4 083	6 043	7 222	5 497	1 725	13 219	3 617	13 856
1982		40 099	30 225	3 745	6 129	7 892	6 065	1 827	14 412	3 693	14 102
1983		42 179	30 456	5 146	6 577	8 931	6 585	2 346	14 709	3 702	14 837
1984		45 600	33 724	5 768	6 108	8 982	6 720	2 262	16 383	4 430	15 805
1985		45 947	35 986	5 576	4 385	8 546	6 553	1 993	15 773	4 691	16 937
		DECU	DFEB	DFED	DFDA	DFEG	DFEA	DFEC	DFCV	DEBP	DEBO
1981	1	9 314	6 637	1 157	1 520	1 784	1 365	419	3 260	871	3 399
	2	9 483	6 853	1 123	1 507	1 858	1 400	458	3 232	932	3 461
	3	9 489	7 111	883	1 495	1 789	1 354	435	3 315	871	3 514
	4	9 628	7 187	920	1 521	1 791	1 378	413	3 412	943	3 482
1982	1	9 486	7 104	884	1 518	1 771	1 341	430	3 436	882	3 397
	2	9 909	7 544	894	1 471	1 956	1 533	423	3 518	847	3 588
	3	10 278	7 810	934	1 534	1 988	1 546	442	3 712	1 027	3 551
	4	10 426	7 767	1 053	1 606	2 177	1 645	532	3 746	937	3 566
1983	1	10 509	7 533	1 316	1 660	2 287	1 636	651	3 650	853	3 719
	2	10 288	7 553	1 144	1 591	2 161	1 644	517	3 575	914	3 638
	3	10 480	7 513	1 299	1 668	2 264	1 688	576	3 640	915	3 661
	4	10 902	7 857	1 387	1 658	2 219	1 617	602	3 844	1 020	3 819
1984	1	11 252	8 137	1 467	1 648	2 328	1 717	611	3 997	1 120	3 807
	2	11 470	8 571	1 372	1 527	2 381	1 838	543	4 291	951	3 847
	3	11 405	8 407	1 466	1 532	2 165	1 593	572	4 024	1 164	4 052
	4	11 473	8 609	1 463	1 401	2 108	1 572	536	4 071	1 195	4 099
1985	1	12 245	9 621	1 334	1 290	2 109	1 553	556	3 889	1 595	4 852
	2	10 928	8 531	1 324	1 073	2 127	1 671	456	3 915	1 007	3 879
	3	11 295	8 798	1 426	1 071	2 138	1 635	503	3 994	1 076	4 087
	4	11 479	9 036	1 492	951	2 172	1 694	478	3 975	1 013	4 319
1986	1	11 916	9 296	1 489	1 131	2 150	1 610	540	4 179	1 078	4 509
		Percentage change, quarter on corresponding quarter of previous year									
1981	1	-12.2	-12.1	-17.5	-8.1	-20.2	-12.2	-38.5	-4.3	-28.0	-9.5
	2	-10.3	-7.6	-22.1	-11.9	-12.0	-2.8	-31.7	-6.5	-23.0	-8.8
	3	-8.2	-1.9	-36.4	-11.7	-16.3	-9.1	-32.9	-0.5	-16.8	-8.0
	4	-4.4	+0.2	-30.3	-3.8	-9.2	-1.5	-27.9	+1.2	-14.0	-4.2
1982	1	+1.8	+7.0	-25.3	-0.1	-0.7	-1.8	+2.6	+5.4	+1.3	-0.1
	2	+4.5	+10.1	-20.4	-2.4	+5.3	+9.5	-7.6	+8.9	-9.1	+3.7
	3	+8.3	+9.8	+5.8	+2.6	+11.1	+14.2	+1.6	+12.0	+17.9	+1.1
	4	+8.3	+8.1	+14.5	+5.8	+21.6	+19.4	+28.8	+9.8	-0.6	+2.4
1983	1	+10.8	+6.0	+52.3	+9.4	+29.1	+22.0	+51.4	+6.2	-3.3	+9.5
	2	+3.8	+0.1	+28.0	+8.2	+10.5	+7.2	+22.2	+1.6	+7.9	+1.4
	3	+2.0	-3.8	+39.1	+8.7	+13.9	+9.2	+30.3	-1.9	-10.9	+3.1
	4	+4.6	+1.2	+31.7	+3.2	+1.9	-1.7	+13.2	+2.6	+8.9	+7.1
1984	1	+7.1	+8.0	+11.5	-0.7	+1.8	+5.0	-6.1	+9.5	+31.3	+2.4
	2	+11.5	+13.5	+19.9	-4.0	+10.2	+11.8	+5.0	+20.0	+4.0	+5.7
	3	+8.8	+11.9	+12.9	-8.2	-4.4	-5.6	-0.7	+10.6	+27.2	+10.7
	4	+5.2	+9.6	+5.5	-15.5	-5.0	-2.8	-11.0	+5.9	+17.2	+7.3
1985	1	+8.8	+18.2	-9.1	-21.7	-8.4	-9.6	-9.0	-2.7	+42.4	+22.2
	2	-4.7	-0.5	-3.5	-29.7	-10.7	-9.1	-16.0	-8.8	+5.9	+0.8
	3	-1.0	+4.7	-2.7	-30.1	-1.2	+2.6	-12.1	-0.7	-7.6	+0.9
	4	+0.1	+5.0	+2.0	-32.1	+3.0	+7.8	-10.8	-2.4	-15.2	+5.4
1986	1	-2.7	-3.4	+11.6	-12.3	+1.9	+3.7	-2.9	+7.5	-32.4	-3.1

1 For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.
2 Including purchases less sales of land and existing buildings.
3 Including transfer costs of land and buildings.


Gross domestic fixed capital formation—by sector
£ million 1980 prices
seasonally adjusted
10,000
9,000
8,000
7,000
6,000
2,000
1,000
0
Private
Public
corporations
General
government
1981
1982
1983
1984
1985
1986


Gross domestic fixed capital formation—by type of asset
£ million 1980 prices
seasonally adjusted
5,000
4,000
3,000
2,000
1,000
0
Plant and
machinery
Other new buildings
and works
Dwellings
Vehicles, ships
and aircraft
1981
1982
1983
1984
1985
1986

Indicators of fixed investment by manufacturing industry (revised definition)

		Gross fixed investment by manufacturing industry (excluding leased assets)							New orders received by contractors for private industrial work (GB)
		Total+	Plant and machinery			New building and works			
			Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1980 prices, seasonally adjusted	£ million, 1980 prices, seasonally adjusted	Percentage change on year earlier	Balance(1)	£ million, 1980 prices, seasonally adjusted	Percentage change on year earlier	Balance(1)	£ million, 1980 prices, seasonally adjusted
		DFDN	FBAA	FBAE	FBAD	FBAB	FBAF	FBAG	FBAC
1976		6 470	4 869	-3	..	1 053	-18	..	1 790
1977		6 774	4 992	+3	..	1 138	+8	..	2 144
1978		7 220	5 319	+7	..	1 277	+12	..	2 241
1979		7 496	5 554	+4	..	1 305	+2	..	2 241
1980		6 479	4 958	-11	..	1 053	-19	..	1 803
1981		4 865	3 719	-25	..	768	-27	..	1 611
1982		4 705	3 646	-2	..	658	-14	..	1 364
1983		4 778	3 771	+3	..	585	-11	..	1 602
1984		5 538	4 312	+14	..	796	+36	..	2 227
1985		5 660	4 389	+2	..	871	+9	..	2 007
		DECV	FBAJ	FBAK		FBAL	FBAM		FBAO
1980	4	1 425	1 090	-23	-46	240	-20	-49	420
1981	1	1 292	977	-28	-38	228	-12	-46	348
	2	1 218	930	-28	-30	197	-31	-40	379
	3	1 185	924	-25	-23	167	-38	-35	483
	4	1 170	888	-19	-13	176	-27	-33	403
1982	1	1 186	884	-8	-5	175	-23	-25	356
	2	1 179	918	-1	-2	159	-19	-25	335
	3	1 184	919	-1	-11	162	-3	-28	353
	4	1 175	915	+3	-20	161	-9	-33	321
1983	1	1 123	894	-	-5	136	-22	-26	422
	2	1 174	930	+1	6	140	-12	-15	376
	3	1 201	938	+2	18	155	-4	-5	438
	4	1 281	1 009	+10	12	153	-5	-8	365
1984	1	1 350	1 043	+17	20	185	+36	-5	543
	2	1 366	1 066	+15	21	191	+36	-3	543
	3	1 377	1 082	+15	14	196	+26	-5	526
	4	1 445	1 121	+11	18	224	+46	-5	615
1985	1	1 408	1 082	+4	11	224	+21	-8	544
	2	1 386	1 073	+1	14	216	+13	-3	641
	3	1 418	1 099	+2	-	219	+12	-21	425
	4	1 447	1 135	+1	4	212	-5	-21	397
1986	1	1 484†	1 151†	+8†	2	228†	+2†	-16	479†
	2				10			-15	

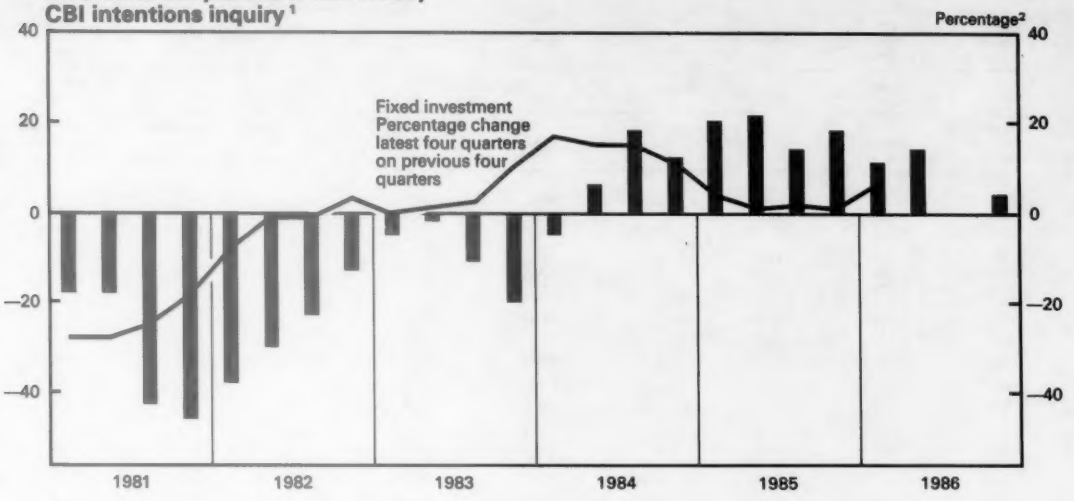
1 Percentage of firms expecting to authorise more in next 12 months less percentage expecting to authorise less.

Department of Trade and Industry inquiry into investment intentions: manufacturing industry (1)

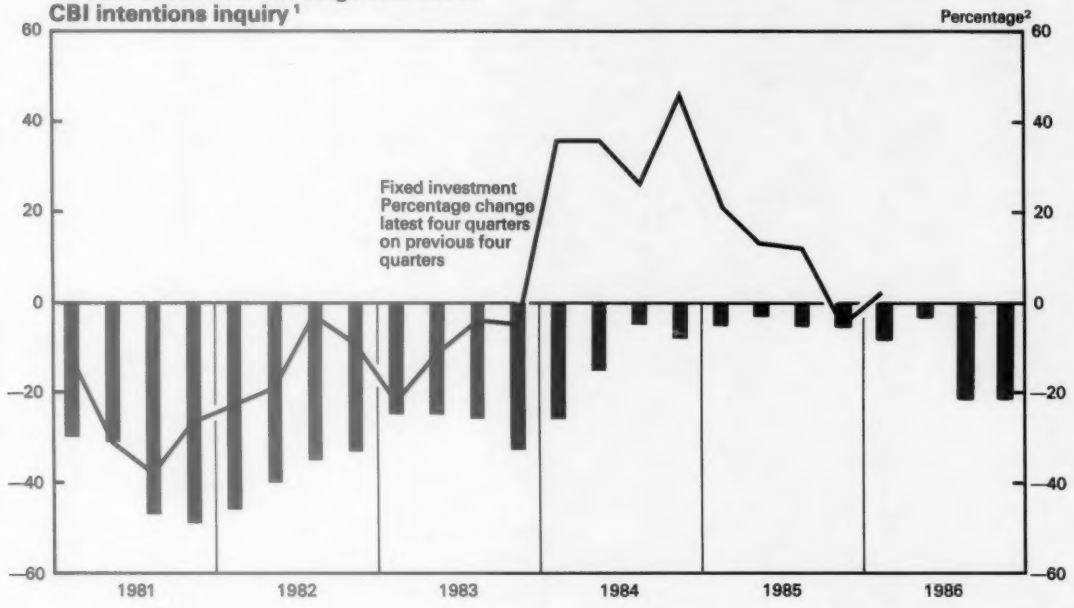
	Percentage change over previous year, in volume terms				
	Gross fixed investment (excluding leased assets)				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1974	Strong increase	Strong increase	+12 to +14	About +5	+10
1975	Little change	Little change	-7 to -10	Of order of -15	-7
1976	Further reduction	Little change	-5 to -8	About -6	-6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+8
1979	Rise, less than +8	Rise less than +8	+4 to +8	+2 to +5	+5
1980	Slight fall	Slight fall	-6 to -10	-8 to -12	-10
1981	Further fall	Fall of up to 8 to 12	-15 to -20	-15 to -18	-18
1982	Some recovery	Some recovery	-1 to -3	-3 to -5	-9
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	+1
1984	No recovery	Slow growth	Rise, around 10	About +12	+16
1985	Little change	Rise, around 6	About +7	Around +9	+2
1986	Slight fall	Slight fall	Rise, around 4	About +6	
1987	Little change	Small increase			

1 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

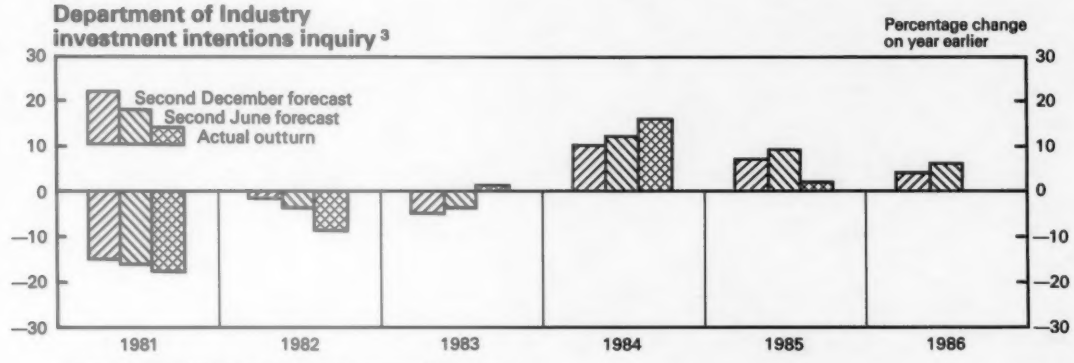
Investment in plant and machinery
CBI intentions inquiry [1]



Investment in new buildings and works
CBI intentions inquiry [1]



Department of Industry
investment intentions inquiry [3]



[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

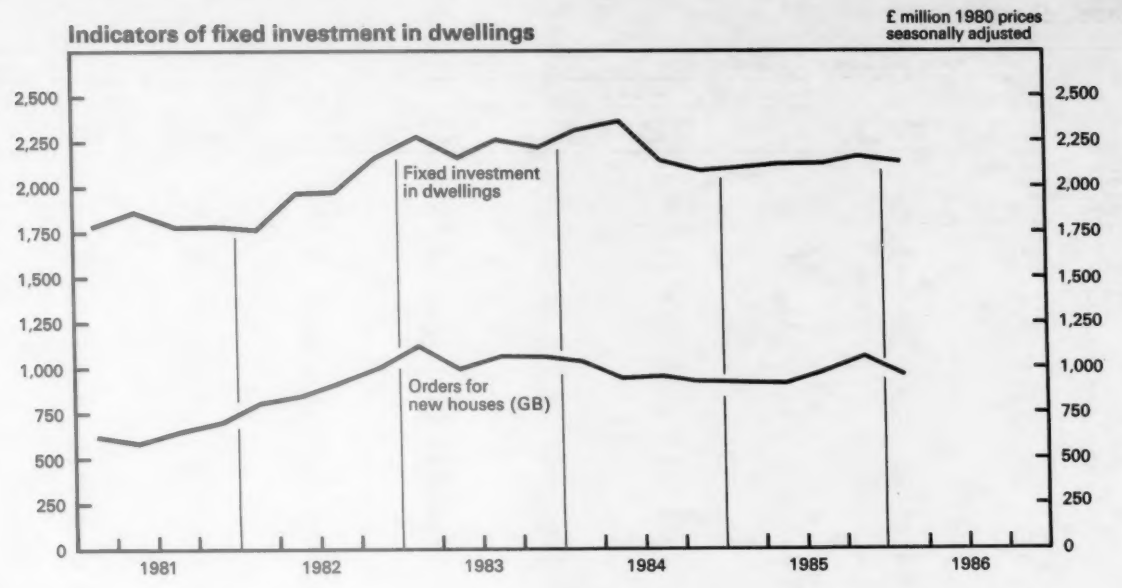
[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

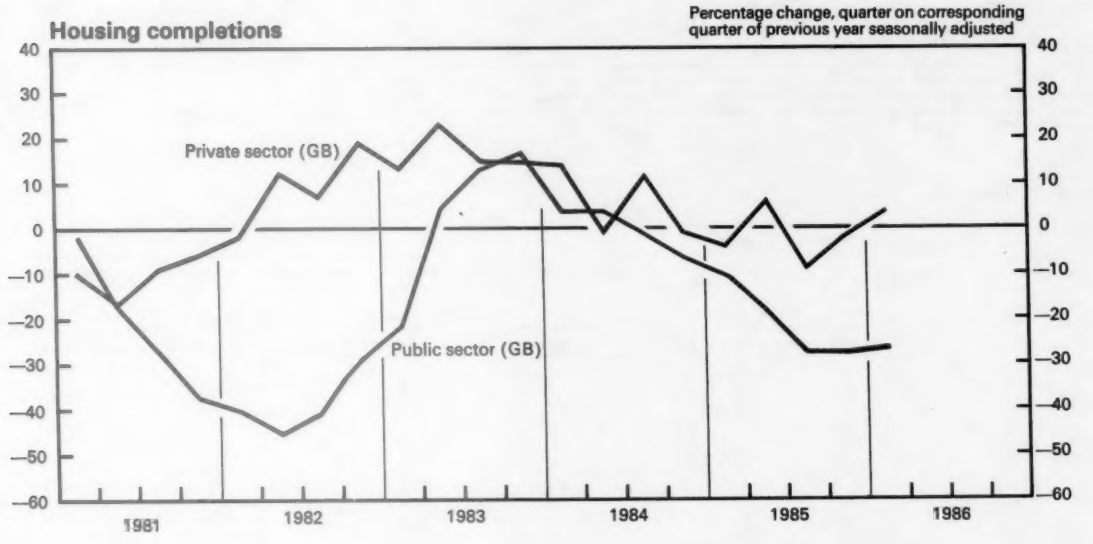
[3] See footnote [1] on page 18

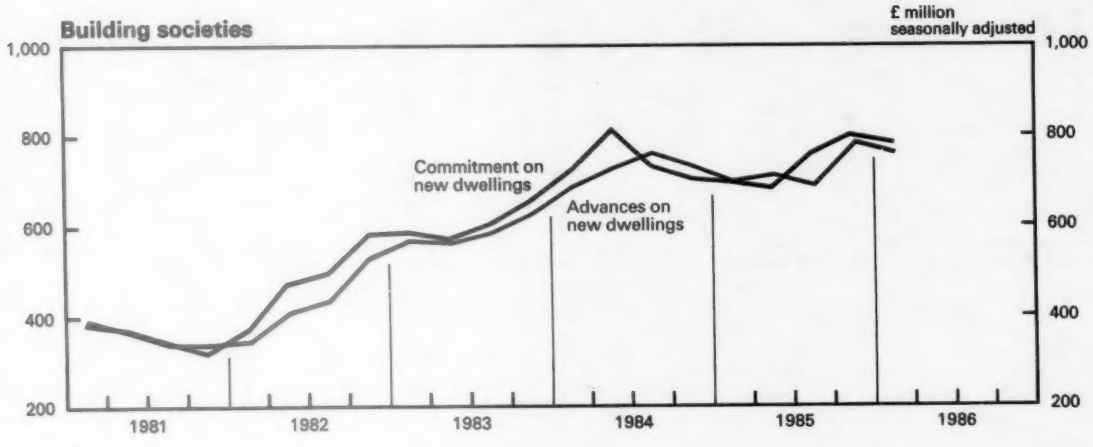
Indicators of fixed investment in dwellings

		Seasonally adjusted								Unadjusted
		£ million, 1980 prices		Thousands				£ million		1980 = 100
				Housing starts (GB)*		Housing completions (GB)*		Building societies		
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	Average price of new dwellings: mortgages approved(1)
		DFDV	FCAA	FCAB	FCAC	FCAD	FCAE	AHLC	AHLH	FCAZ
1977		8 976	4 501	134.8	132.1	140.8	162.5	1 280	1 175	54
1978		9 048	4 733	157.3	107.4	149.0	130.7	1 523	1 504	66
1979		9 197	4 001	144.0	81.2	140.5	104.0	1 488	1 519	84
1980		8 456	2 702	98.9	56.4	127.5	106.9	1 444	1 406	100
1981		7 222	2 559	116.7	37.2	114.2	84.7	1 427	1 456	102
1982		7 892	3 548	140.5	52.8	123.9	80.1	1 931	1 716	104
1983		8 931	4 231	169.8	47.6	144.3	80.5	2 419	2 330	116
1984		8 982	3 826	153.7	40.2†	153.3†	80.1†	2 980	2 900	125
1985		8 546	3 856	161.8†	33.6	149.6	98.1	2 937†	2 871	136
		DFEG	FCAS	FCAT	FCAU	FCAV	FCAW	AHLO	AHLS	
1980	4	1 972	574	22.9	10.6	29.6	25.9	376	364	103
1981	1	1 784	621	30.6	8.2	30.6	27.2	385	388	104
	2	1 858	595	28.6	8.3	28.9	22.4	374	370	105
	3	1 789	644	30.5	9.4	29.0	19.1	348	380	102
	4	1 791	699	27.0	11.3	27.7	16.0	320	338	98
1982	1	1 771	796	36.0	13.4	29.9	15.4	374	342	99
	2	1 966	839	33.6	12.7	30.0	12.0	477	409	104
	3	1 988	916	35.2	12.6	30.9	11.3	498	436	104
	4	2 177	999	35.7	14.1	33.1	11.4	582	529	108
1983	1	2 287	1 114	45.5	14.9	33.8	12.0	584	563	112
	2	2 161	994	41.7	11.7	37.0	12.5	570	560	116
	3	2 264	1 062	40.6	9.7	35.5	12.9	607	583	118
	4	2 219	1 064	42.0	11.3	38.0	13.1	668	624	117
1984	1	2 328	1 032	40.4	12.1	38.7	12.3	721	681	121
	2	2 381	935	38.6	10.1	36.5	12.9	818	726	125
	3	2 165	950	36.1	9.7†	39.6	12.7	733	759	127
	4	2 108	909	36.6	8.3	38.5†	12.2†	708	734	125
1985	1	2 109	911	36.9	8.2	37.1	10.8	695	695	130
	2	2 127	909	40.0	8.4	38.7	10.4	682	711	134
	3	2 138	973	41.3	8.1	36.1	9.1	760	685	137
	4	2 172	1 063	43.6†	8.9	37.7	8.8	800	780	144
1986	1	2 150	955†	41.1	7.2	38.5	7.9	781	759	147
1984	J	..	340	13.4	3.6	13.1	4.5	281	251	128
	A	..	331	12.7	2.6†	13.4	4.5	245	252	129
	S	..	278	12.0	3.5	13.1	3.7	227	256	125
	O	..	315	12.6	2.7	12.4	4.0	234	245	124
	N	..	302	11.2	2.6	12.6	4.2	238	242	125
	D	..	292	12.8	3.0	13.5†	4.0†	236	247	127
1985	J	..	321	11.8	2.7	11.4	4.0	222	226	130
	F	..	276	11.7	2.6	12.8	3.5	238	231	131
	M	..	314	13.4	2.9	12.9	3.3	235	238	130
	A	..	278	13.8	2.9	13.1	3.5	218	231	135
	M	..	318	13.2	2.7	12.8	3.7	240	244	132
	J	..	313	13.2	2.8	12.8	3.2	224	236	134
	J	..	325	13.7	2.5	11.9	2.9	232	230	133
	A	..	308	13.6	2.9	11.8	3.1	252	215	139
	S	..	340	14.0	2.7	12.4	3.1	276	240	140
	O	..	361	15.1	2.9	12.1	2.9	279	251	143
	N	..	378	14.2†	3.1	12.2	2.8	286	268	144
	D	..	324	14.3	2.9	13.4	3.1	235	261	146
1986	J	..	372	14.3	2.8	11.7	2.8	256	256	146
	F	..	279	11.3	2.1	13.1	2.6	281	258	146
	M	..	304†	15.5	2.5	13.7	2.7	244	245	150
	A	..	338	12.8	2.9	12.6	3.3	351	278	156
	M	..	327	13.4	1.9	11.4	1.9	339†	281†	158†

1 Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.


Indicators of fixed investment in dwellings
£ million 1980 prices
seasonally adjusted
2,500
2,250
2,000
1,750
1,500
1,250
1,000
750
500
250
0
Fixed investment
in dwellings
Orders for
new houses (GB)
1981
1982
1983
1984
1985
1986


Housing completions
Percentage change, quarter on corresponding
quarter of previous year seasonally adjusted
40
30
20
10
0
–10
–20
–30
–40
–50
–60
Private sector (GB)
Public sector (GB)
1981
1982
1983
1984
1985
1986


Building societies
£ million
seasonally adjusted
1,000
800
600
400
200
Commitment on
new dwellings
Advances on
new dwellings
1981
1982
1983
1984
1985
1986

Stock changes

£ million, 1980 prices, seasonally adjusted

		All industries	Energy and Water supply	Manufacturing(1) - revised definition				Distribution		Other industries
				Total	Materials and fuels	Work in progress	Finished goods	Wholesale(2)	Retail(3)	
Value of stocks and work in progress end - December 1984(4)		66 369	3 941	3 1608	9 792	12 004	9 812	9 516	7 320	13 984
		DGBA	DHBQ	DHBM	DGAX	DGAY	DGAW	DHBO	DHBN	DHBR
1980	4	-1 196	157	-1 268	-426	-269	-574	72	-13	-144
1981	1	-1 073	53	-788	-345	-136	-305	-72	-18	-250
	2	-1 096	-88	-780	-390	-142	-249	-111	75	-192
	3	-292	-155	-120	-137	73	-56	-13	-13	9
	4	-23	-178	170	-121	157	134	-22	87	-80
1982	1	511	-27	-77	-31	-111	64	330	85	200
	2	289	169	-18	9	-5	-19	23	84	9
	3	-896	-124	-398	-175	-138	-86	-155	-24	-185
	4	-1 015	5	-622	-288	-218	-116	-203	-176	-19
1983	1	296	77	-	-185	248	-64	-147	-79	445
	2	12	5	-48	-97	-54	106	143	-99	9
	3	258	26	-288	-105	65	-247	23	185	330
	4	109	-115	203	129	10	63	-56	-	77
1984	1	-24	-312	55	-35	26	65	-60	108	185
	2	-265	-176	-31	-12	82	-101	-124	87	-21
	3	-142	-186	95	61	8	26	-19	-71	39
	4	289	-113	131	-6	-26	161	-42	255	58
1985	1	-216	-100	-380	-19	-306	-56	-56	14	306
	2	465	-57	198	-48	2	244	65	7	252
	3	77	-65	4	41	81	-118	-142	125	155†
	4	337	234	-331	-49	-187	-94	-53	203	284
1986	1	388	-207†	-116	44	-28	-132	316	96	299

1 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
2 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
3 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
4 Unadjusted 1980 price stock levels.

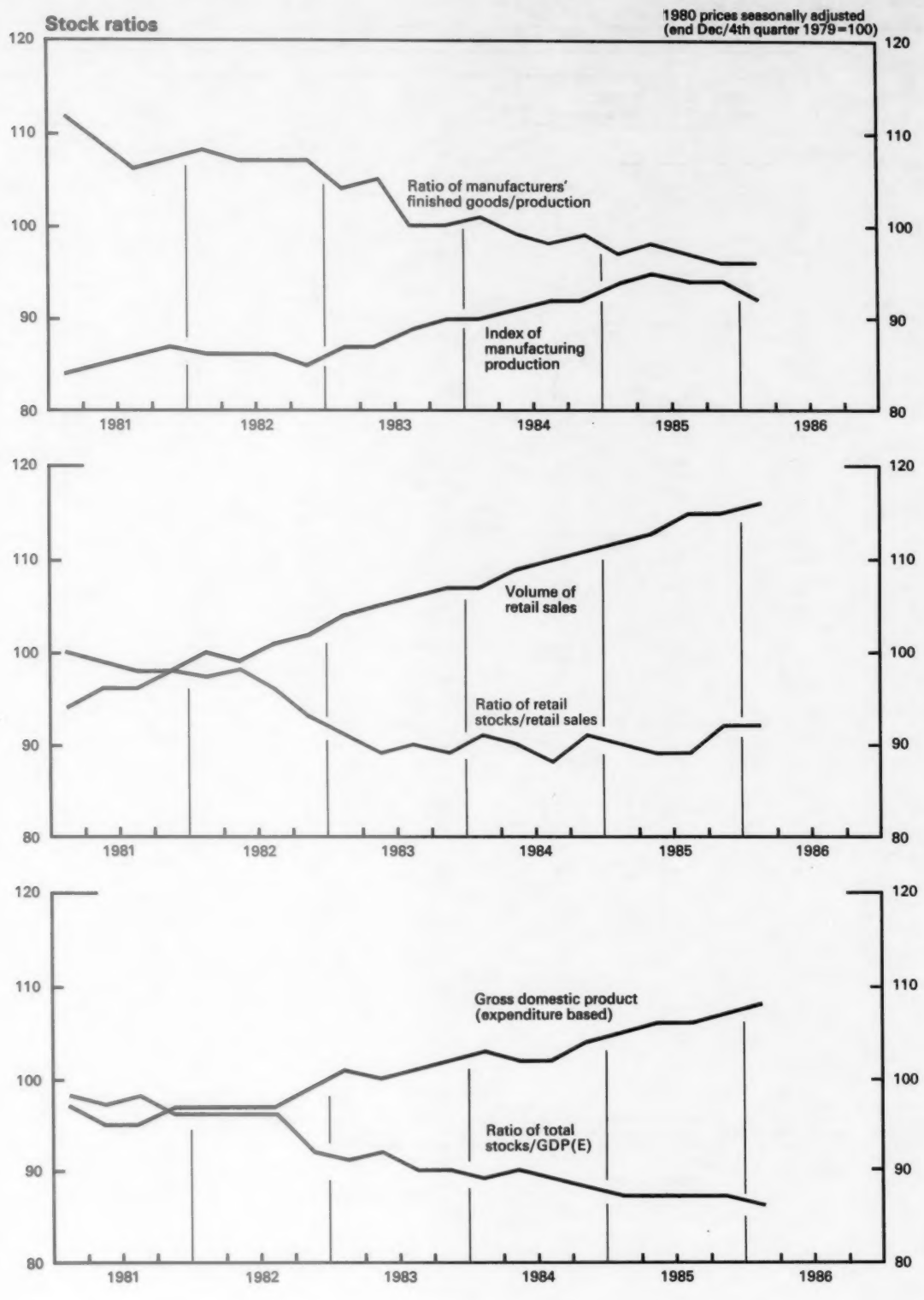
Stock ratios

Seasonally adjusted

1980 prices: stocks level, end - Dec 1979=100; GDP(E), industrial production and retail sales, 4th quarter 1979=100

		Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production (revised definition)				Retail stocks to retail sales(1)
			Total stocks	Materials and fuel	Work in progress	Finished goods	
		FDCA	FDCB	FDCC	FDCD	FDCE	FDCF
1980	4	99	110	106	111	114	96
1981	1	98	109	104	111	112	94
	2	97	106	100	109	109	96
	3	98	103	97	108	106	96
	4	96	103	95	109	107	96
1982	1	96	104	95	108	108	97
	2	96	103	95	108	107	96
	3	96	103	94	108	107	96
	4	92	102	92	107	107	93
1983	1	91	99	89	106	104	91
	2	92	99	88	106	105	89
	3	90	96	85	104	100	90
	4	90	95	85	102	100	89
1984	1	89	95	85	101	101	91
	2	90	94	84	101	99	90
	3	89	93	83	100	98	88
	4	88	94	83	99	99	91
1985	1	87	92	82	98	97	90
	2	87	91	80	96	98	89
	3	87	91	81	97	97	89
	4	87	91	81	96	98	92
1986	1	86	91	82	97	98	92

1 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.


Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1979=100)
120
110
100
90
80
Ratio of manufacturers' finished goods/production
Index of manufacturing production
1981
1982
1983
1984
1985
1986
Volume of retail sales
Ratio of retail stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)

Inland energy consumption

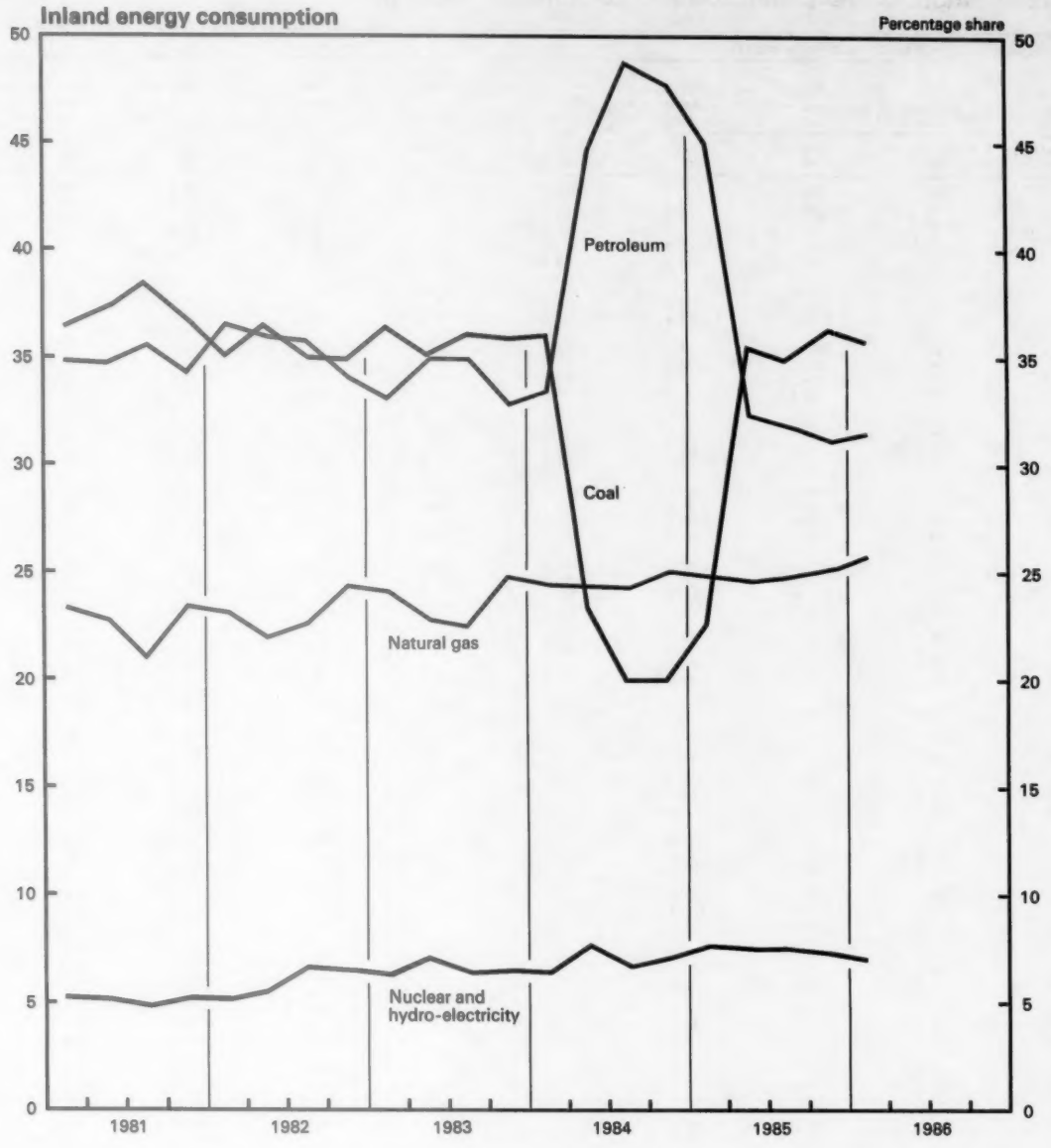
Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal(1,2)	Petroleum(3)	Natural gas(4)	Nuclear electricity(5)	Hydro electricity(5,6)	Electricity available-GB(7)
		FDAA	FDAB	FDAC	FDAD	FDAE	FDAF	FDAG
1975		326.9	120.6	137.1	56.3	10.9	2.0	234.2
1976		331.5	123.0	134.2	59.5	12.9	1.9	236.7
1977		338.2	122.4	136.6	62.7	14.3	2.0	240.2
1978		339.1	119.4	139.2	65.0	13.4	2.1	246.3
1979		349.3	127.2	137.0	69.1	13.8	2.2	255.0
1980		327.2	120.1	121.2	70.5	13.4	2.0	245.9
1981		315.3	117.5	110.2	71.6	13.7	2.3	239.2
1982		311.7	109.6	110.8	72.9	16.0	2.4	236.2
1983		313.6	111.6	105.9	75.6	18.1	2.4	242.3
1984		312.1	78.5	134.7	77.3	19.5	2.1	246.0
1985		324.1†	104.7†	114.6†	80.5	22.2†	2.2	255.8
		FDAH	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAN
1980	4	321.2	117.6	115.4	71.7	14.2	2.3	244.1
1981	1	317.9	115.9	111.1	74.4	13.5	3.0	235.7
	2	311.7	116.1	108.5	71.1	14.1	1.9	238.9
	3	319.2	123.0	113.5	67.5	13.4	1.8	242.0
	4	312.9	115.6	107.4	73.6	13.8	2.5	240.3
1982	1	312.3	109.4	114.4	72.6	13.5	2.4	238.3
	2	305.3	111.4	110.0	67.2	14.2	2.5	235.4
	3	317.7	111.3	113.7	71.8	18.8	2.1	243.5
	4	307.3	107.4	105.0	74.9	17.4	2.6	236.3
1983	1	311.0	113.1	103.0	75.3	16.8	2.8	236.4
	2	310.6	109.0	108.4	71.1	19.4	2.7	241.7
	3	322.1	116.3	112.6	72.6	18.9	1.7	248.4
	4	309.4	110.9	101.7	76.8	17.8	2.2	242.8
1984	1	312.3	112.6	103.1	76.6	17.5	2.4	242.3
	2	306.6	71.9	136.5	74.7	21.6	2.0	244.3
	3	312.4	82.6	152.8	76.0	19.5	1.4	250.3
	4	313.1	82.6	149.9	78.5	20.1	2.0	247.2
1985	1	321.8†	72.5†	144.8†	79.9†	22.6†	2.1	249.8
	2	328.6	116.7	106.6	80.7	22.7	2.0	258.4
	3	328.5	114.6	104.8	81.4	22.6	2.1	260.2
	4	317.2	115.0	99.1	80.0	21.0	2.2	254.9
1986	1	324.5	115.7	102.2	83.6	20.6	2.2†	258.3†

Percentage change, quarter on corresponding quarter of previous year

		FDAO	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAU
1980	4	-6.1	-5.8	-11.1	+0.8	+1.4	-4.2	-3.1
1981	1	-4.8	-4.6	-10.7	+2.8	-2.2	+66.7	-2.8
	2	-5.1	-4.9	-11.1	+1.7	+9.3	+35.7	-3.7
	3	-1.4	+3.1	-7.8	+2.1	+7.6	-33.3	-2.8
	4	-2.6	-1.7	-6.9	+2.8	-2.8	+8.7	-1.6
1982	1	-1.7	-5.6	+2.9	-2.3	+0.4	-20.0	+1.1
	2	-2.0	-0.4	+1.3	-5.4	+0.4	+30.4	-1.5
	3	-0.5	-9.5	+0.1	+6.7	+40.2	+14.7	+0.6
	4	-1.8	-7.1	-2.2	+1.7	+25.5	+4.6	-1.7
1983	1	-1.4	+0.5	-10.0	+3.7	+23.9	+18.5	-0.8
	2	+1.6	-2.5	-1.5	+5.8	+36.7	+8.8	+2.7
	3	+0.9	+3.1	-1.0	+1.1	+0.5	-19.7	+2.0
	4	+1.0	+4.3	-3.1	+2.5	+2.3	-14.0	+2.8
1984	1	+0.4	-0.2	-	+1.7	+4.3	-15.8	+2.5
	2	-1.3	-34.0	+25.9	+5.0	+10.9	-25.8	+1.1
	3	-3.0	-46.1	+35.8	+4.7	+2.8	-15.6	+0.8
	4	+1.2	-43.5	+47.5	+2.2	+12.6	-9.6	-1.2
1985	1	+3.0	-35.8	+48.7	+4.3	+29.5	+11.9	+3.1
	2	+7.1	+82.3	-21.9	+7.9	+5.1	-15.8	+5.8
	3	+5.2	+83.0	-29.4	+7.1	+16.0	-7.0	+4.0
	4	+1.3	+53.6	-33.9	+1.8	+4.6	+5.8	+3.1
1986	1	+0.8	+59.6	-29.4	+4.9	-8.1	+6.8	+3.4

1 Consumption by fuel producers plus colliery disposals to final users plus net foreign trade and stock change in other solid fuels.
2 Coal data for 1983 have been adjusted, for the purposes of comparison with 1984, to take account of calendar differences between 1983 and 1984.
3 Inland deliveries for energy use plus refinery fuel and losses minus the difference between deliveries and actual consumption at power stations and gas works.
4 Excluding gas flared or re-injected.
5 Nuclear and hydro electricity are not temperature corrected.
6 Hydro electricity quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year, not the data shown in the table.
7 The inclusion of Northern Ireland would add about 2 per cent to the total.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1981
1982
1983
1984
1985
1986

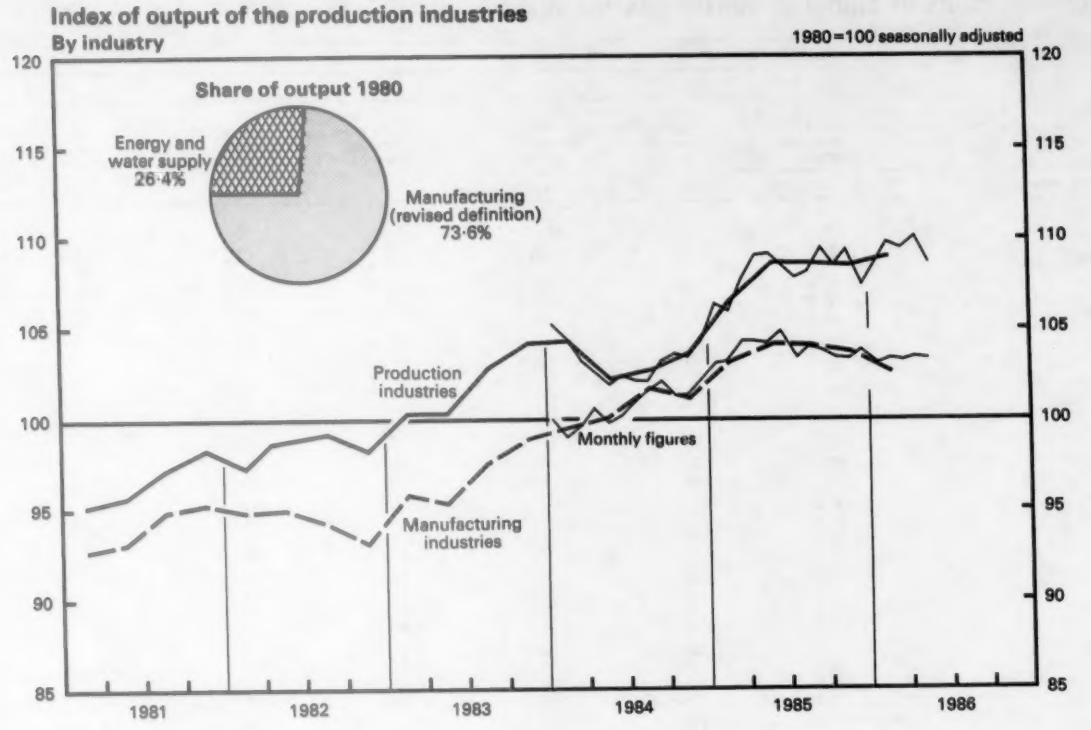
Index of output of the production and construction industries

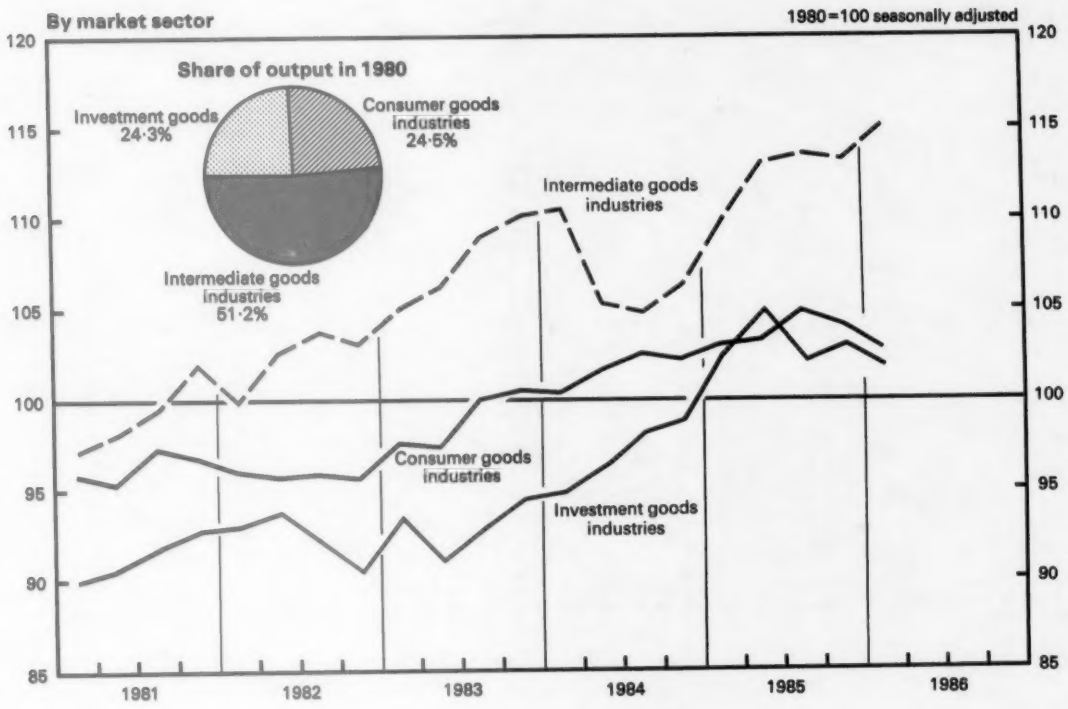
1980 = 100, seasonally adjusted

		Total production industries	Energy and water supply	Total Manufacturing industries	Construction	Total production and construction	Consumer goods industries	Investment goods industries	Intermediate goods industries
1980 weights		1 000	264	736			245	243	512
PPT of GDP(O)		361	95	266	63(1)	424	88	88	185
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		98.6	103.8†	94.0	89.9	95.6	96.4	91.3	99.2
1982		98.4	110.0	94.2	91.6	97.4	96.8	92.4	102.3
1983		101.9	115.9	96.9	95.3	100.9	98.8†	92.9†	107.6
1984		103.2	110.1	100.7	98.6	102.5	101.7	97.1	106.8
1985		106.1†	120.1	103.8	99.8	106.9	103.7	103.2	112.6†
					DVJO	DVJN			
1980	3	97.8	98.8†	97.5	100.5	98.3	98.5	97.4†	97.8†
	4	95.7†	102.2	93.4	93.0	95.3	94.9†	93.4	96.8
1981	1	95.1	101.8	92.7	92.4	94.8	96.0	89.9	97.1
	2	95.8	103.2	93.1	89.5	94.8	95.4	90.6	98.3
	3	97.2	103.5	94.9	90.9	96.3	97.4	91.8	99.5
	4	98.4	106.9	95.4†	86.9	96.7	96.8	92.9	101.9
1982	1	97.2	104.3	94.7	89.1	96.1	96.1	92.9	99.8
	2	98.8	109.7	94.9	90.6	97.6	95.7	93.7	102.8
	3	99.2	113.2	94.1	92.6	98.1	95.9	92.2	103.7
	4	98.4	112.9	93.2	94.3	97.7	95.6	90.8	103.0
1983	1	100.4	113.1	95.8	93.7	99.4	97.6	93.6	104.9
	2	100.4	114.5	95.3	92.1	99.2	97.4	90.7	106.3
	3	102.8	117.6	97.5	97.7	102.0	100.0	92.7	109.0
	4	104.0	118.3	98.9	97.8	103.1	100.5	94.4	110.2
1984	1	104.2	117.3	99.5	97.0	103.1†	100.5	94.7	110.4
	2	102.3	108.1	100.2	98.1	101.6	101.6	96.2	105.6
	3	102.5	105.4	101.5	100.5	102.2	102.5	97.9	104.8
	4	103.8	109.6	101.7	98.7	103.1	102.1	98.5	106.5
1985	1	106.7	115.5	103.5	99.5	105.7	103.4	102.8	109.9
	2	108.9	121.3	104.5	100.0	107.7	103.4	105.0	113.5
	3	106.4	121.5	103.7	99.1	107.0	104.3	102.3	113.3
	4	108.4	122.1	103.5	100.8	107.3	103.7	102.6	113.5
1986	1	109.3	126.4	103.2	97.4†	107.5	103.5	102.7	115.0
		DVGY	DVGZ	DVHE			DVHZ	DVIF	DVIJ
1983	D	104.9	118.8	99.9	..	..	101.3†	96.2†	110.7†
1984	J	105.1†	119.4†	100.0	..	..	100.8	95.7	111.5
	F	104.4	119.3	99.0	..	..	100.1	93.9	111.3
	M	103.1	113.3	99.5†	..	..	100.5	94.5	108.5
	A	102.6	108.4	100.5	..	..	103.0	95.9	105.7
	M	101.8	107.3	99.8	..	..	101.3	95.8	105.0
	J	102.4	108.7	100.2	..	..	100.8	96.8	106.0
	J	102.2	106.0	100.9	..	..	101.9	97.2	104.8
	A	102.1	103.5	101.6	..	..	102.0	97.9	104.1
	S	103.3	106.8	102.1	..	..	103.6	98.7	105.4
	O	103.6	110.1	101.3	..	..	102.5	98.9	106.3
	N	103.4	108.9	101.4	..	..	101.5	99.2	106.1
	D	104.3	109.8	102.3	..	..	102.3	100.5	107.0
1985	J	105.4	115.6	103.1	..	..	103.0	102.2	109.9
	F	105.9	113.6	103.2	..	..	103.2	102.0	109.0
	M	107.7	117.2	104.3	..	..	103.9	104.6	110.9
	A	109.1	122.5	104.3	..	..	103.1	104.7	114.2
	M	109.2	123.3	104.2	..	..	102.9	105.4	114.2
	J	108.4	118.2	104.9	..	..	104.1	105.0	112.2
	J	107.7	119.9	103.3	..	..	103.5	101.9	112.4
	A	108.1	119.5	104.0	..	..	104.7	102.4	112.5
	S	109.5	125.0	103.9	..	..	104.6	102.7	115.1
	O	108.5	122.6	103.4	..	..	103.1	103.1	113.6
	N	109.4	126.4	103.3	..	..	103.8	101.5	115.9
	D	107.3	117.2	103.6	..	..	104.3	103.2	110.9
1986	J	108.6	124.1	103.0	..	..	102.7	102.4	114.1
	F	109.8	128.0	103.3	..	..	104.2	102.6	115.8
	M	109.5	127.1	103.2	..	..	103.5	103.2	115.1
	A	110.1	128.8	103.4	..	..	104.4	101.6	116.6
	M	108.6	123.2	103.3	..	..	104.3	102.1	113.3

1 For an index of construction output for Great Britain, see page 30.

Index of output of the production industries

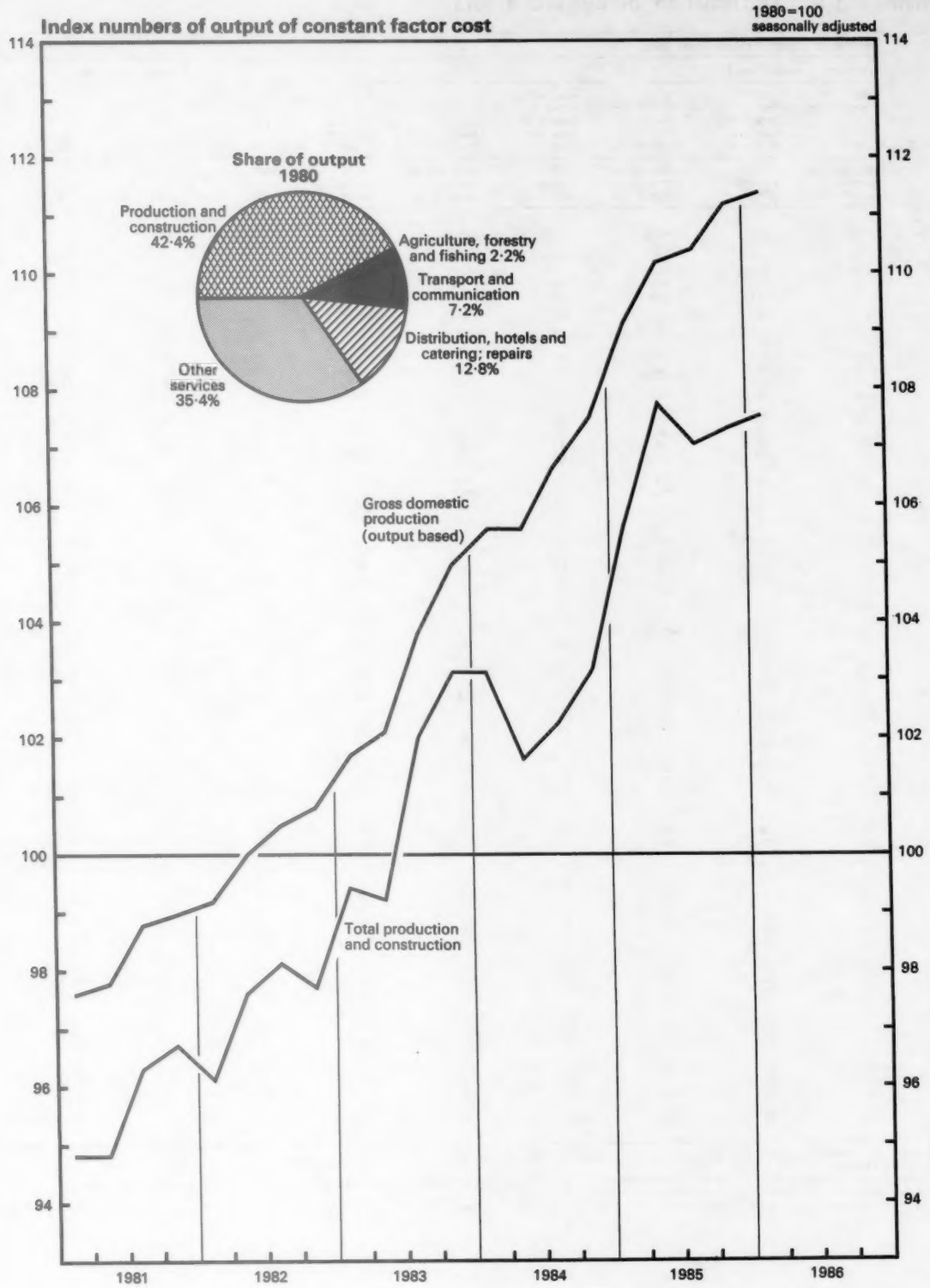




Index numbers of output at constant factor cost

	Seasonally adjusted					
	1980 = 100					
	Gross domestic product	Agriculture, forestry and fishing	Production and construction(1)	Distribution, hotels and catering; repairs	Transport and communication	Other services
1980 weights	1 000	22	424	128	72	354
	DIAX	CKCY	DVJN	CKDA	CKDB	CKDE
1977	96.5	85.1	99.9†	99.0	94.2	92.8
1978	99.8	91.5	103.4	104.8	96.6	94.9
1979	103.0	90.1	106.9	107.9	101.3	97.6
1980	100.0	100.0	100.0	100.0	100.0	100.0
1981	98.3	102.4	95.6	98.1	99.3	101.1
1982	100.1	111.0	97.4	100.0	98.9	103.0
1983	103.1	106.1	100.9	103.2	102.2	105.7
1984	106.4	121.3	102.5	106.8	106.4	108.9
1985	110.2	117.3	106.9	110.3	112.7	113.2
	DSAE	CKAP		CKAQ	CKAR	CKAS
1980 1	102.6	97	105.2	104	103	99
2	100.7	100	101.2	101	101	100
3	99.1	101	98.3	98	98	100
4	97.7	101	95.3	97	98	101
1981 1	97.6	101	94.8	98	98	101
2	97.8	101	94.8	98	99	101
3	98.8	103	96.3	99	100	101
4	99.0	105	96.7	97	100	102
1982 1	99.2	109	96.1	99	99	102
2	100.0	112	97.6	99	100	103
3	100.5	112	98.1	101	98	103
4	100.8	111	97.7	101	99	104
1983 1	101.7	106	99.4	102	101	104
2	102.1	104	99.2	102	102	105
3	103.8	105	102.0	104	103	106
4	105.0	110	103.1	105	104	107
1984 1	105.6	117	103.1†	105	104	108
2	105.6	123	101.6	106	105	109
3	106.7	124	102.2	107	107	111
4	107.5	121	103.1	109	109	111
1985 1	109.1	118	105.7	109	111	112
2	110.2	116	107.7	110	113	113
3	110.4	117	107.0	111	113	113
4	111.2	118	107.3	111	114	115
1986 1	111.4	120	107.5	111	115	115
	Percentage change, quarter on corresponding quarter of previous year					
1980 1	+2.1	+8	+1.1	-1	+8	+3
2	-3.5	+14	-7.1	-10	-2	+2
3	-4.0	+13	-8.4	-8	-8	+2
4	-5.8	+9	-11.3	-10	-5	+2
1981 1	-4.9	+4	-9.9	-6	-5	+2
2	-2.9	+1	-6.3	-3	-2	+1
3	-0.3	+2	-2.0	+1	+2	+1
4	+1.3	+4	+1.5	-	+2	+1
1982 1	+1.6	+8	+1.4	+1	+1	+1
2	+2.3	+11	+3.0	+1	+1	+2
3	+1.7	+9	+1.9	+2	-2	+2
4	+1.8	+8	+1.0	+4	-1	+2
1983 1	+2.5	-3	+3.4	+3	+2	+2
2	+2.1	-7	+1.6	+3	+2	+2
3	+3.3	-6	+4.0	+3	+5	+3
4	+4.2	-1	+5.5	+4	+5	+3
1984 1	+3.8	+10	+3.7	+3	+3	+4
2	+3.4	+18	+2.4	+4	+3	+4
3	+2.8	+18	+0.2	+3	+4	+5
4	+2.4	+10	-	+4	+5	+4
1985 1	+3.3	+1	+2.5	+4	+7	+4
2	+4.4	+5	+6.0	+4	+8	+4
3	+3.5	+5	+4.7	+4	+6	+2
4	+3.4	-2	+4.1	+2	+5	+4
1986 1	+2.1	+2	+1.7	+2	+4	+3

1 The latest revisions to this column may not yet have been fully taken into account in the calculation of the series shown for overall gross domestic product.


Index numbers of output of constant factor cost
1980=100
seasonally adjusted
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communication 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Gross domestic production (output based)
Total production and construction
114
112
110
108
106
104
102
100
98
96
94
1981
1982
1983
1984
1985
1986

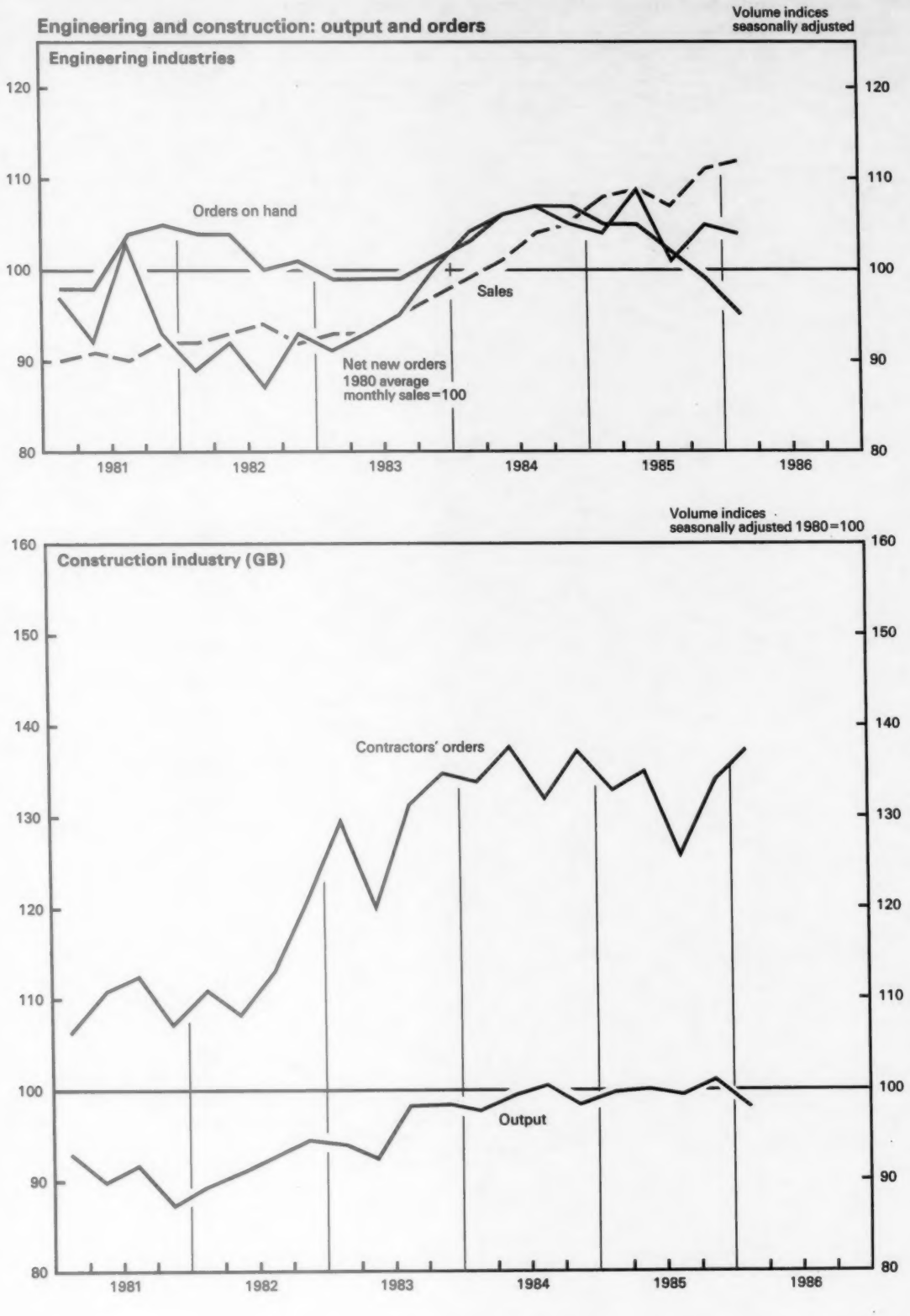
Engineering and construction: output and orders

Seasonally adjusted volume index numbers

		Engineering industries(1)							Construction(GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders(2)	Orders on hand end of period	New orders(2)	Orders on hand end of period	New orders(2)	Output(3,4)	Orders received
		1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	1980 = 100	1980 = 100
		FEAA	DKCJ	FEAC	FEAV	FEAE	FEAX	FEAG	FEAB	FEAD
1981		91	105	96	102	96	110	98	90.5	109.1
1982		93	101	91	102	93	98	85	91.9	113.2
1983		95	101	95	98	95	105	94	95.7	128.8
1984		102	107	105	99	103	121	110	99.0	135.2
1985		109	99	105	90	104†	116†	108	100.1	131.9
		FEAJ		FEAL		FEAN		FEAP	FEAQ	FEAZ
1981	4	92	105	93	102	92	110	96	87.3	107.0
1982	1	92	104	89	102	91	107	86	89.4	110.9
	2	93	104	92	101	92	107	93	91.0	108.1
	3	94	100	87	101	93	100	76	92.7	112.8
	4	92	101	93	102	97	98	84	94.4	120.9
1983	1	93	99	91	98	87	103	98	94.0	129.5
	2	93	99	93	97	94	104	92	92.3	119.8
	3	95	99	95	97	100	102	84	98.2	131.1
	4	97	101	100	98	100	105	99	98.3	134.8
1984	1	99	103	104	100	105	109	101	97.7	133.8
	2	101	106	106	100	102	114	113	99.3	137.6
	3	104	107	107	99	102	120	116	100.5	131.9
	4	105	107	106†	99	103	121	111††	98.3	137.2
1985	1	108	105	104	98	104	118	104	99.8	132.9
	2	109	105	109	96†	101†	122	126	100.0	135.0
	3	107	103†	103	93	101	121	106	99.5	125.8
	4	111	99	104	90	108	116†	96	101.0	134.1
1986	1	112	92	97	84	102	107	85	98.0	137.6†
		FEAS		FEAU		FEAW		FEAY		
1983	D	99	101	101	98	99	105	106	..	138.0
1984	J	100	102	106	99	110	106	98	..	136.0
	F	97	103	103	100	102	108	105	..	131.4
	M	99	103	102	100	103	109	99	..	134.1
	A	100	104	108	101	107	111	110	..	126.2
	M	99	105	101	100	96	113	111	..	131.8
	J	103	106	109	100	104	114	119	..	154.9
	J	103	107†	109	101	106	117	115	..	129.8
	A	103	105	96	98	87	118	115	..	136.6
	S	105	107	115	99	113	120	119†	..	129.4
	O	103	108	110	100	108	121	117	..	143.3
	N	104	108	103†	100	100	121	108	..	136.6
	D	107	107	104	99	103	121	107	..	131.8
1985	J	105	107	105	99	101†	122	113	..	141.5
	F	107	107	107	99	104	122	113	..	121.7
	M	113	105	101	98	108	118	87	..	135.6
	A	106	105	102	97	97	118	112	..	130.9
	M	107	105	109	97	106	118	115	..	141.8
	J	114	106	117	96†	99	122	152	..	132.3
	J	106	105	100	94	101	122	100	..	130.2
	A	109	104	103	94	102	120	104	..	122.0
	S	108	103	106	93	101	121	115	..	124.8
	O	110	101	99	91	100	119†	97	..	149.8
	N	112	100	103	90	106	117	99	..	136.4
	D	112	99	110	90	119	116	91	..	116.0
1986	J	105†	97	89	88	94	111	78	..	150.2
	F	107	95	97	86	99	111	93	..	132.4
	M	123	92	104	84	114	107	85	..	130.2†
	A	101	92	100	85	109	105	81	..	140.9
	M								..	125.0

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).
2 Net of cancellations.
3 This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
4 Details of the method of deflation to constant prices are given in Economic Trends, No.297, July 1978.

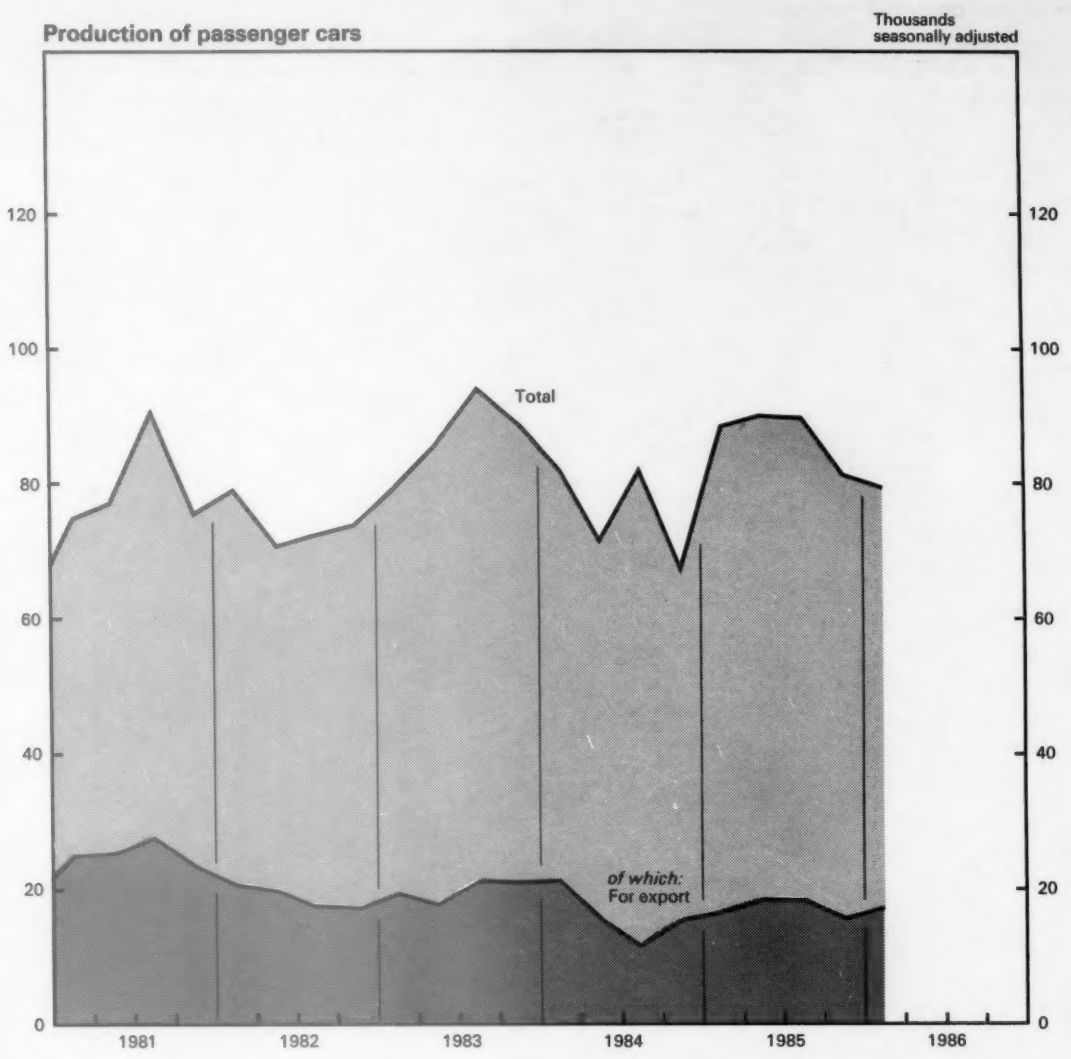
Engineering and construction: output and orders

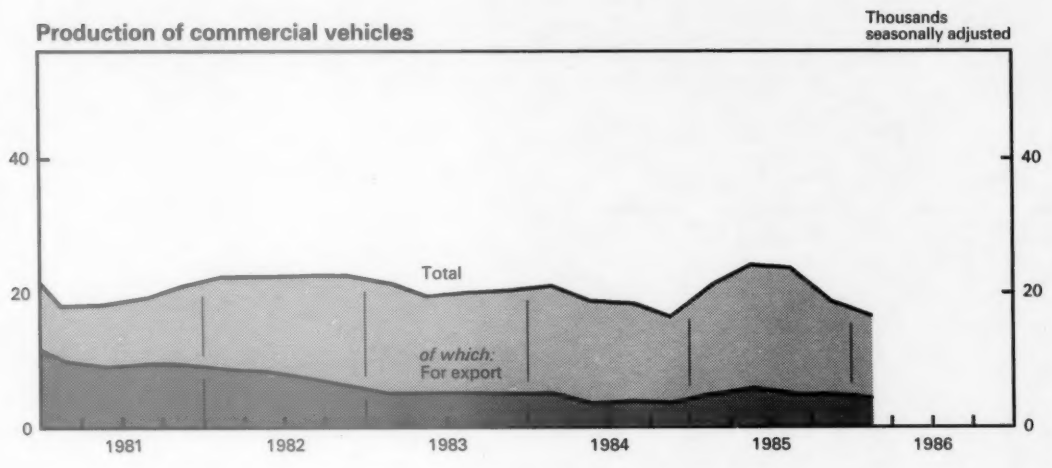


Motor vehicle production and steel production and consumption

		Seasonally adjusted					
		Thousands(1)				Thousand tonnes	
		Passenger cars*		Commercial vehicles*			
		Total	Production for export	Total	of which: For export	Crude steel production(2,3,4)	Finished steel consumption
		FFAA	FFAB	FFAC	FFAD	FFAF	FFAE
1975		105.6	44.3	31.7	15.5	20 098	15 446
1976		111.1	47.1	31.0	15.8	22 274	15 804
1977		109.7	46.9	33.2	16.4	20 411	15 300
1978		101.9	41.2	32.0	14.1	20 311	15 710
1979		89.2	32.7	34.0	13.5	21 464	15 850
1980		77.0	29.1	32.4	13.0	11 277	12 770
1981		79.5	25.4	19.1	9.5	15 573	12 440
1982		74.0	18.9	22.4	7.7	13 704	12 300
1983		87.0	19.8	20.4	5.2	14 986	11 560
1984		75.7	16.0	18.7	4.1	15 121	11 420
1985		87.3	17.3	22.2†	5.5†	15 722	11 520
		FFAO	FFAP	FFAQ	FFAR	FFAM	FFAN
1981	4	75.5	23.3	21.2	9.4	4 018	3 150
1982	1	79.1	20.6	22.3	8.8	4 030	3 228
	2	70.9	19.8	22.2	8.4	3 840	3 232
	3	72.1	17.7	22.5	7.5	3 054	2 960
	4	73.9	17.2	22.5	6.1	2 720	2 880
1983	1	79.3	19.4	21.7	5.2	3 768	2 820
	2	85.7	17.6	19.6	5.3	3 813	2 910
	3	94.1	21.2	20.0	5.3	3 690	2 830
	4	89.1	21.0	20.2	5.1	3 662	3 000
1984	1	82.4	21.4	21.2	5.3	3 983	2 870
	2	71.3	15.5	19.0	3.7	3 604	2 740
	3	82.1	11.8	18.6	3.9	3 743	2 930
	4	67.2	15.4	16.1	3.7	3 766	2 880
1985	1	88.2	16.8	21.2†	5.1†	3 766	2 850
	2	90.0	18.4	24.1	5.9	4 273	2 740
	3	89.9	18.2	23.9	5.3	3 899	2 870
	4	81.3	15.8	19.4	5.6	3 789	3 060
1986	1	79.5	17.3	17.2	4.8	3 788	2 890†
						FFAT	
1984	A	74.5	15.7	20.7	3.8	1 112	..
	M	75.2	15.0	18.8	3.6	1 331	..
	J	84.2	15.8	17.5	3.7	1 160	..
	J	79.2	7.4	19.1	3.7	1 282	..
	A	85.4	13.3	18.6	3.8	1 271	..
	S	81.6	14.7	18.1	4.2	1 210	..
	O	77.9	14.9	17.4	4.0	1 494	..
	N	55.8	13.9	15.2	3.6	1 204	..
	D	68.0	17.4	15.8	3.6	1 069	..
1985	J	90.2	20.4	19.4†	4.4†	1 290	..
	F	86.4	15.1	21.9	5.1	1 153	..
	M	88.0	14.8	22.2	5.9	1 323	..
	A	90.2	19.9	23.5	5.4	1 327	..
	M	87.9	19.5	22.3	6.4	1 605	..
	J	91.8	15.8	26.6	6.0	1 340	..
	J	84.5	13.7	22.2	5.0	1 505	..
	A	88.7	20.6	25.1	5.6	1 173	..
	S	96.4	20.4	24.5	5.2	1 221	..
	O	70.0	13.4	21.0	4.8	1 453	..
	N	76.7	14.9	18.1	5.4	1 183	..
	D	97.2	19.2	21.2	6.6	1 153	..
1986	J	76.3	15.5	17.0	5.3	1 493	..
	F	74.4	17.2	16.0	4.9	1 119	..
	M	87.7	19.2	18.6	4.2	1 176	..
	A	77.7	12.9	17.8	4.2	1 323†	..
	M	88.0†	13.4†	21.3	5.4	960	..
	J					921	..

1 Monthly averages or standardised calendar months.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
3 The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
4 June, August and November 1983 are 5-week periods, as are February, May, August and October 1984.


Production of passenger cars
Thousands
seasonally adjusted
120
100
80
60
40
20
0
Total
of which:
For export
1981
1982
1983
1984
1985
1986

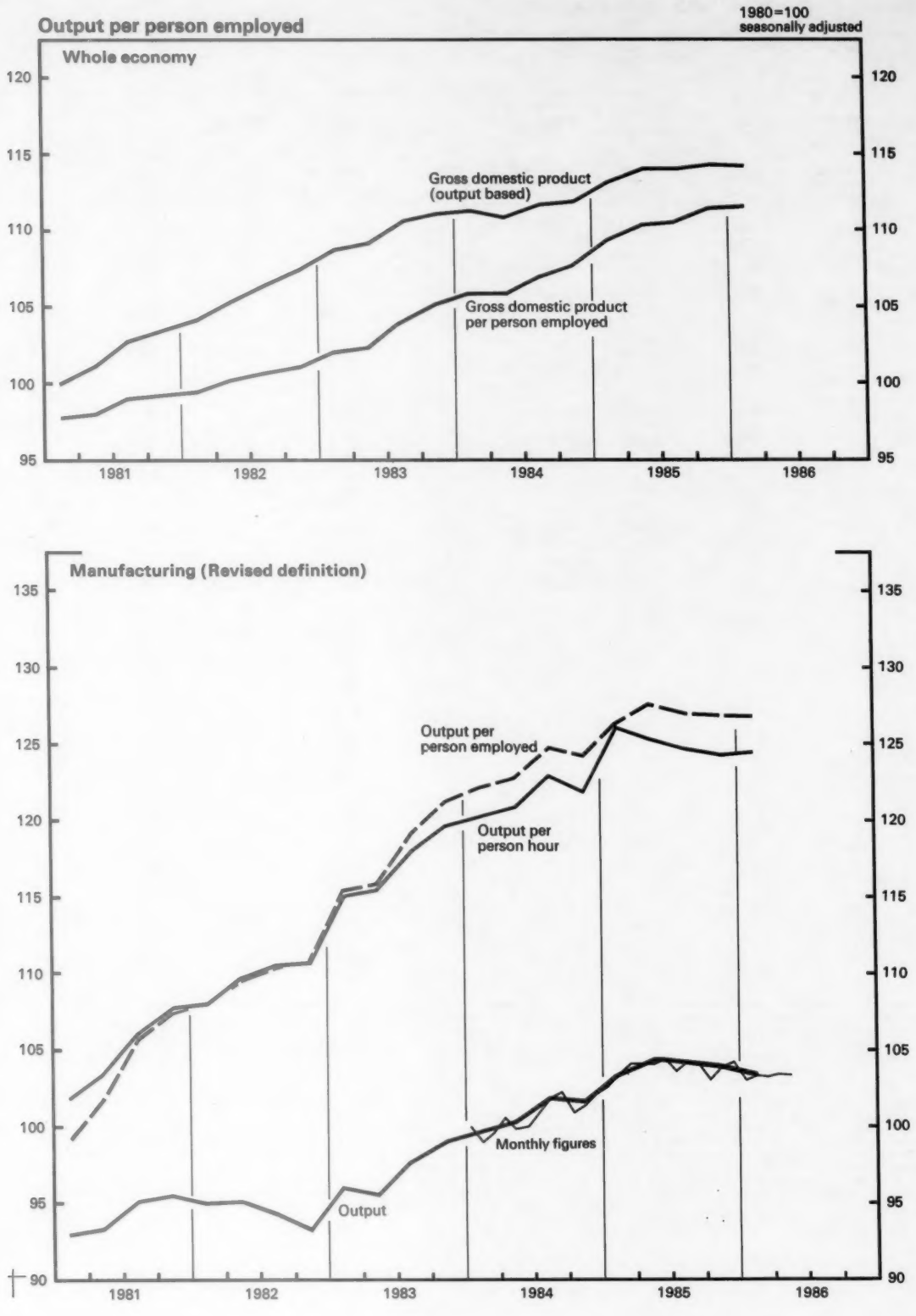

Production of commercial vehicles
Thousands
seasonally adjusted
40
20
0
Total
of which:
For export
1981
1982
1983
1984
1985
1986

Output per person employed

1980 = 100, seasonally adjusted

		Total employed labour force	Employment		Output per person employed(1)			Output per hour in manufacturing industries(2)
			Total production industries(2)	Manufacturing industries(2)	Whole economy	Total production industries(2)	Manufacturing industries(2)	
		DMBC	DMBK	DMBD	DMBE	CAIW	DMBF	DMBH
1981		96.6	91.5	91.0	101.8	105.7†	103.5	104.8
1982		94.7	86.7	86.0	105.7†	113.5	109.7	109.7
1983		93.9	83.0	82.3	109.8	122.8	117.9	117.1
1984		95.5†	82.1	81.6	111.3	125.7	123.5	121.4†
1985		96.9	82.0	81.8	113.8	131.9	127.0†	124.6
1982	1	95.3	88.5	87.8	104.1	109.9†	108.0	108.0
	2	95.0	87.4	86.7	105.3	113.1	109.6	109.7
	3	94.5	86.2	85.4	106.3†	115.0	110.3†	110.4†
	4	93.9	84.9	84.1	107.3	116.0	110.8	110.8
1983	1	93.6	83.9	83.1	108.7	119.7	115.5	115.1
	2	93.6	83.1	82.3	109.0	120.8	115.8	115.4
	3	94.0	82.6	81.9	110.4	124.5	119.1	118.1
	4	94.6	82.4	81.7	111.0	126.4	121.2	119.7
1984	1	95.0	82.1	81.5	111.2	127.0	122.1	120.2
	2	95.4	82.1	81.6	110.7	124.5	122.8	120.9
	3	95.7	82.1	81.6	111.5	124.9	124.5	122.6
	4	96.1†	82.2	81.8	111.9	126.3	124.4	122.1
1985	1	96.5	82.1	81.8	113.0	130.0	126.6	124.3
	2	96.7	82.1	81.8	114.0	132.8	127.8	125.6
	3	97.0	82.0	81.9	113.8	132.3	126.8	124.3
	4	97.3	81.8	81.7	114.3	132.6	126.7	124.1
1986	1	97.5	81.3	81.4	114.2	134.5	126.8	124.5
1985	J	..	..	81.8	..	..	126.0†	123.8†
	F	..	..	81.8	..	..	126.2	123.8
	M	..	..	81.7	..	..	127.7	125.3
	A	..	..	81.7	..	..	127.7	126.1
	M	..	..	81.8	..	..	127.4	125.1
	J	..	..	81.8	..	..	128.3	125.7
	J	..	..	81.9	..	..	126.2	123.8
	A	..	..	81.8	..	..	127.2	124.7
	S	..	..	81.9	..	..	127.0	124.4
	O	..	..	81.8	..	..	126.5	124.0
	N	..	..	81.7	..	..	126.6	123.9
	D	..	..	81.7	..	..	127.1	124.3
1986	J	..	..	81.7	..	..	126.2	123.7
	F	..	..	81.3	..	..	127.2	124.9
	M	..	..	81.3	..	..	127.1	124.8
	A	..	..	81.2	..	..	127.5	125.4
	M	..	..	80.9†	..	..	127.8	125.9
		Percentage change, quarter on corresponding quarter of previous year						
1981	4	-3.0	-7.2	-7.4	+4.4	+10.9	+10.3	+8.2
1982	1	-2.5	-5.9	-6.1	+4.2	+8.6	+8.9	+6.0
	2	-1.9	-5.0	-5.3	+4.2	+8.5	+7.6	+5.9
	3	-1.8	-5.0	-5.1	+3.5	+7.3	+4.5	+4.1
	4	-1.9	-5.1	-5.3	+3.8	+5.4	+3.2	+2.9
1983	1	-1.8	-5.2	-5.4	+4.4	+8.9	+6.9	+6.6
	2	-1.5	-4.9	-5.0	+3.5	+6.8	+5.7	+5.2
	3	-0.5	-4.2	-4.1	+3.9	+8.3	+8.0	+6.9
	4	+0.7	-2.9	-2.9	+3.4	+9.0	+9.3	+8.0
1984	1	+1.5	-2.1	-1.8	+2.3	+6.1	+5.8	+4.4
	2	+1.9	-1.2	-0.9	+1.6	+3.1	+6.0	+4.8
	3	+1.8	-0.6	-0.4	+1.0	+0.3	+4.5	+3.8
	4	+1.6	-0.2	+0.1	+0.8	-0.1	+2.7	+2.0
1985	1	+1.6	-	+0.3	+1.6	+2.4	+3.7	+3.4
	2	+1.4	-	+0.2	+3.0	+6.7	+4.0	+3.9
	3	+1.4	-0.1	+0.3	+2.1	+5.9	+1.8	+1.4
	4	+1.2	-0.5	-0.1	+2.1	+5.0	+1.9	+1.6
1986	1	+1.0	-1.0	-0.4	+1.1	+3.5	+0.2	+0.1

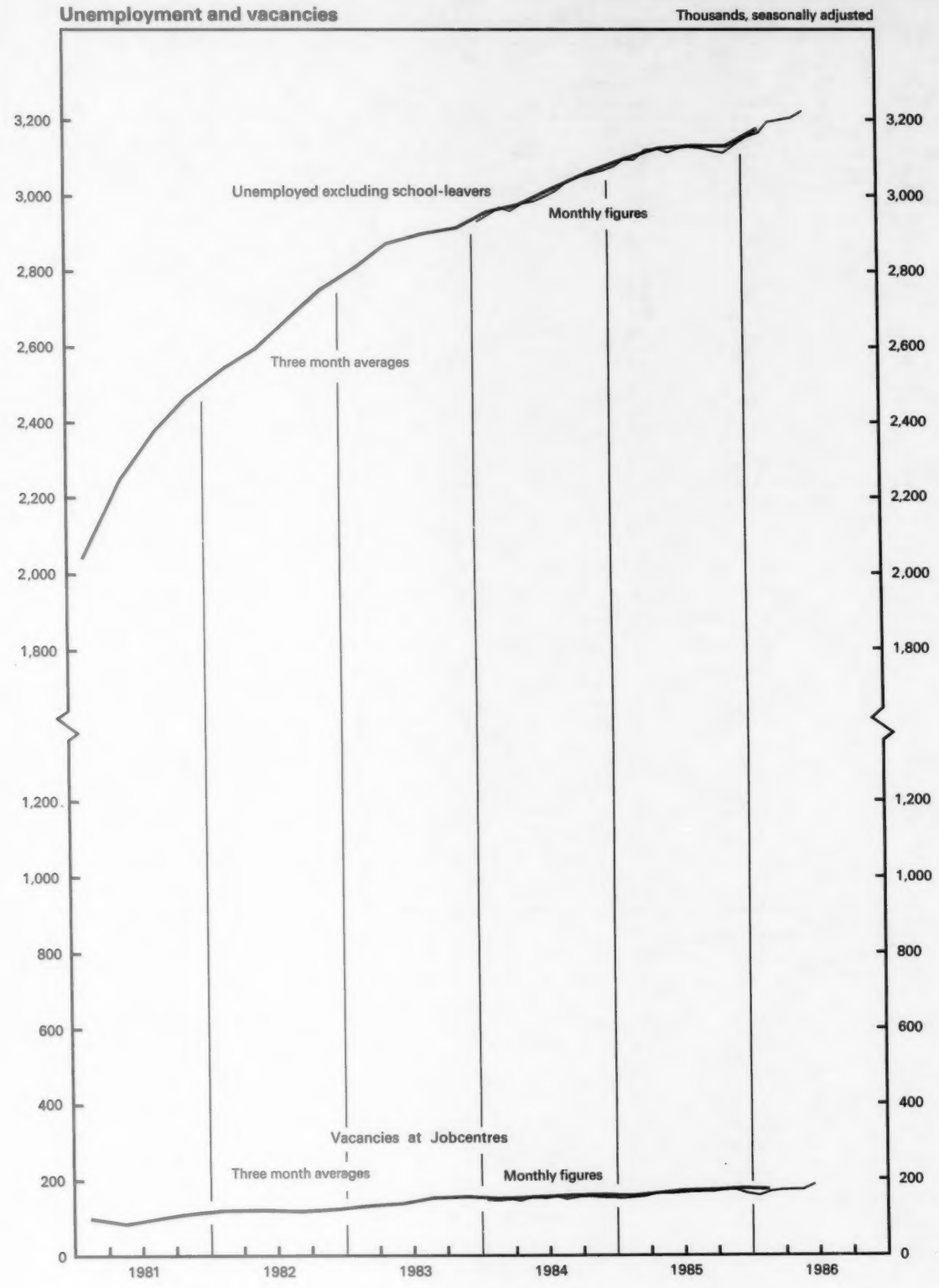
1 The ratios do not take into account part-time working or hours of work.
2 Industries are grouped according to the Standard Industrial Classification 1980.


Output per person employed
1980=100
seasonally adjusted
Whole economy
120
115
110
105
100
95
Gross domestic product
(output based)
Gross domestic product
per person employed
1981
1982
1983
1984
1985
1986
Manufacturing (Revised definition)
135
130
125
120
115
110
105
100
95
90
Output per
person employed
Output per
person hour
Monthly figures
Output
1981
1982
1983
1984
1985
1986

National employment and unemployment (1)

		Seasonally adjusted								Unadjusted
		United Kingdom						Great Britain Manufacturing industry		United Kingdom
		Thousands			Unemployed excluding school leavers		Thousands	1980=100		Thousands
		Working population(2,3,4)	Employed labour force(2,3)	Employees in employment(2,3)	Thousands(4)	Percentage of employees(4,5)	Vacancies at job centres+(6,7,8)	Employees in employment	Average hours worked per operative(9)	Total unemployed including school-leavers(4)
		FGAM	FGAN	FGAO	BCJD	BCJE	BCDM	FGAL	FGAF	BCJA
1980		26 873	25 284	22 950	1 452	5.3†	..	101.1	100.0	1 664.9
1981		26 788	24 301	21 849	2 270	8.5	91.1	90.6	98.7	2 520.3
1982		26 749	23 873	21 380	2 626	9.8	113.9	86.0	100.5	2 916.9
1983		26 680	23 583	21 040	2 866	10.7	137.3	81.6	101.5	3 104.7
1984		27 212†	24 067†	21 226†	2 998	11.1	150.2	80.8	102.7	3 159.8
1985		27 692	24 398	21 449	3 113	11.3	162.0	80.6	103.2	3 271.2
		BCAA	FGAB	BCAJ			DPCB	FGAJ	FGAH	
1983	2	26 680†	23 583	21 040	2 864.5	10.7†	132.6	81.6	101.5	3 087.7
	3	26 833	23 738†	21 104†	2 889.7	10.8	145.2	81.3	102.0	3 066.0
	4	26 953	23 882	21 179	2 905.9	10.8	148.0	81.0	102.4	3 085.9
1984	1	27 094	23 978	21 206	2 948.8	10.9	146.0	80.8	102.5	3 176.3
	2	27 212	24 067	21 226	2 972.5	11.0	148.7	80.8	102.6	3 074.0
	3	27 361	24 149	21 279	3 017.1	11.1	152.1	80.8	102.5	3 166.7
	4	27 481	24 270	21 374	3 054.9	11.3	153.9	80.9	103.2	3 222.4
1985	1	27 575	24 335	21 413	3 087.6	11.2	153.8	80.7	103.1	3 310.8
	2	27 692	24 398	21 449	3 118.8	11.3	161.7	80.6	103.3	3 230.7
	3	27 729	24 453	21 474	3 124.0	11.3	164.4	80.6	103.4	3 273.9
	4	27 821	25 548	21 541	3 122.1	11.3	168.2	80.4	103.6	3 269.6
1986	1	27 891	24 567	21 530	3 170.9	11.5	164.5	79.9	103.0	3 356.1
	2				3 208.7†	11.6	175.1†			3 274.9†
1984	A	..	..	..	2 959.4	10.9†	144.5	80.8	102.7	3 107.7
	M	..	..	..	2 974.8	11.0	151.2	80.8	102.6	3 084.5
	J	..	..	..	2 983.3	11.0	150.4	80.8	102.6	3 029.7
	J	..	..	..	2 999.3	11.1	152.6	80.7	102.6	3 100.5
	A	..	..	..	3 013.6	11.1	150.0	80.6	102.5	3 115.9
	S	..	..	..	3 038.2	11.2	153.7	80.8	102.5	3 283.6
	O	..	..	..	3 046.8	11.2	154.0	80.8	102.9	3 225.1
	N	..	..	..	3 055.2	11.3	154.1	80.8	103.1	3 222.6
	D	..	..	..	3 062.6	11.3	153.5	80.9	103.2	3 219.4
1985	J	..	..	..	3 074.6	11.1	151.7	80.8	103.0	3 341.0
	F	..	..	..	3 093.5	11.2	153.1	80.8	103.1	3 323.7
	M	..	..	..	3 094.8	11.2	156.1	80.7	103.1	3 267.6
	A	..	..	..	3 120.8	11.3	161.0	80.6	102.2	3 272.6
	M	..	..	..	3 121.4	11.3	160.7	80.7	103.1	3 240.9
	J	..	..	..	3 114.2	11.3	163.4	80.6	103.3	3 178.6
	J	..	..	..	3 121.1	11.3	163.0	80.7	103.1	3 235.0
	A	..	..	..	3 127.4	11.3	162.9	80.6	103.2	3 240.4
	S	..	..	..	3 123.5	11.3	167.3	80.6	103.4	3 346.2
	O	..	..	..	3 119.9	11.3	172.6	80.6	103.3	3 276.9
	N	..	..	..	3 113.8	11.3	170.0	80.4	103.5	3 258.9
	D	..	..	..	3 132.5	11.4	162.1	80.4	103.6	3 273.1
1986	J	..	..	..	3 153.2	11.4	159.7	80.4	103.3	3 407.7
	F	..	..	..	3 160.9	11.5	165.0	80.0	103.0	3 336.7
	M	..	..	..	3 198.6	11.6	168.6	79.9	103.0	3 323.8
	A	..	..	..	3 200.2†	11.6	169.0	79.8	102.8†	3 325.1
	M	..	..	..	3 205.4	11.6	171.1	79.5†	102.6	3 270.1†
	J	..	..	..	3 220.4	11.7	185.3†			3 229.4

1 Unemployment figures do not include students registered for temporary employment during a current vacation.
2 The working population consists of the employed labour force and the unemployed (claimants); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of employees in employment up to June 1985 take account of the results of the 1983, 1984 and 1985 Labour Force Surveys. Estimates for later periods include an allowance for continued undercounting (see article on page 161 of May 1985 Employment Gazette for a detailed description of their derivation).
3 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.
4 There has been a change in the compilation of the unemployment statistics (see Employment Gazette, March/April 1986, pages 107-108). Unadjusted figures for February and March 1986 are on the new basis (estimated for February) and not directly comparable with earlier figures. It is estimated that the change reduces the total UK count by 50,000 on average. Seasonally adjusted figures have been revised to allow for this and previous discontinuities, to be consistent with the new coverage. The latest seasonallly adjusted figures are provisional and subject to revision, mainly in the following month. The unadjusted figures also reflect a small discontinuity in the Northern Ireland count between June and August 1985.
5 The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, self-employed and HM forces. Recent figures are based on mid-1985 estimates.
6 The statistics of vacancy stocks were distorted in April and May 1985 because of a change in the Manpower Services Commission's Employment Division's arrangements. This led to an artificial increase in the April level, but the recorded stocks for May should be minimally affected.
7 There has been a change in the method of compiling vacancy statistics. See October issue of Employment Gazette for details.
8 This series excludes community programme vacancies.
9 The indices are based on SIC 1980 definition of manufacturing industry.


Unemployment and vacancies
Thousands, seasonally adjusted
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,200
1,000
800
600
400
200
0
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies at Jobcentres
Three month averages
Monthly figures
1981
1982
1983
1984
1985
1986

Regional unemployment rates (1)

Seasonally adjusted(2,3)

Per cent

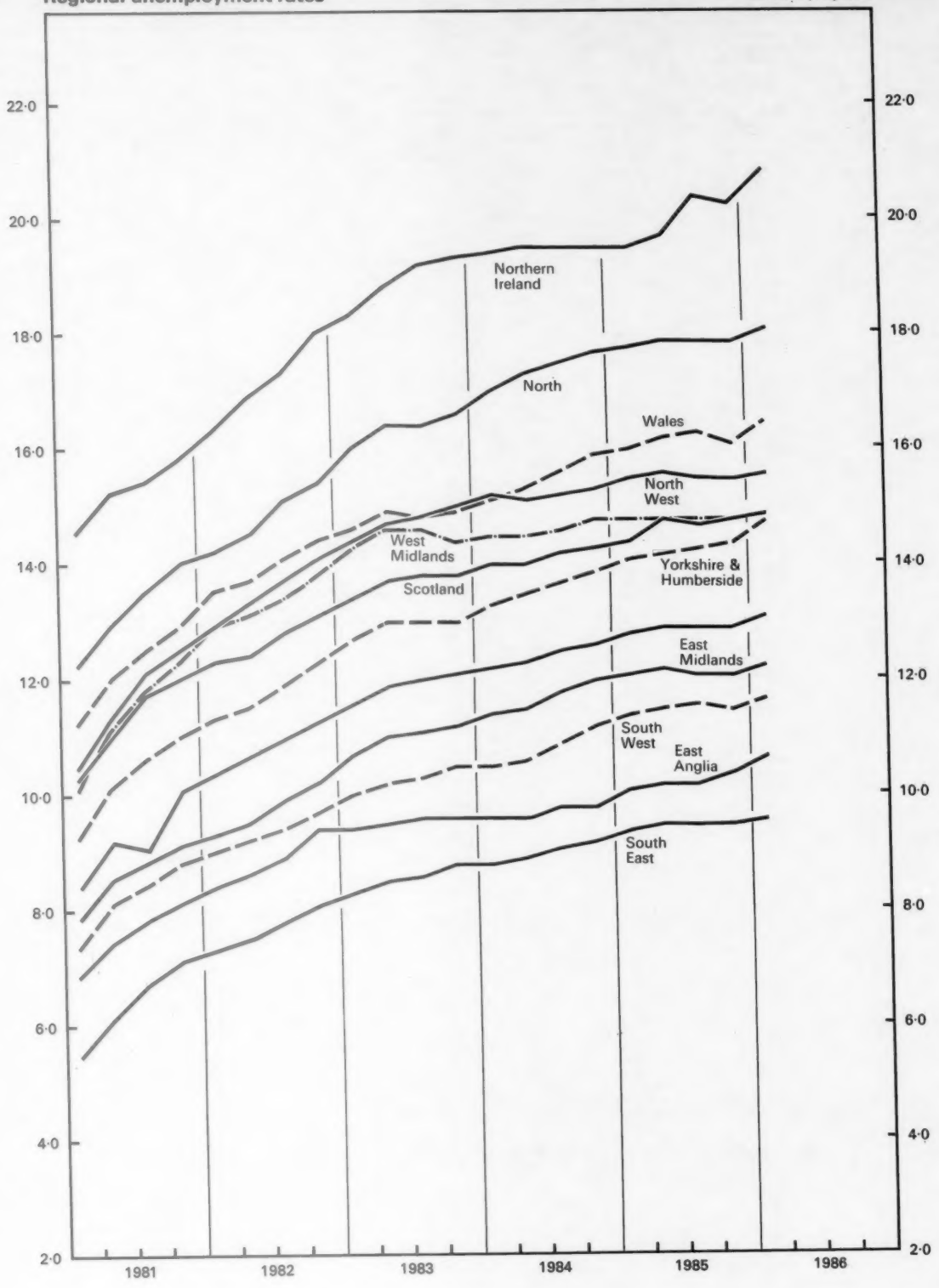
		North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
		DPBH	DPBI	DPBJ	DPBK	DPBL	DPBM	DPBN
1981	1	11.4†	8.5†	7.0†	6.0†	4.9†	6.3†	9.2†
	2	12.1	9.3	7.7	6.5	5.6	6.9	10.3
	3	12.6	9.7	8.0	6.8	6.1	7.2	11.0
	4	13.1	10.1	8.3	7.1	6.4	7.5	11.5
1982	1	13.3	10.4	8.5	7.4	6.6	7.8	11.9
	2	13.6	10.6	8.6	7.5	6.8	7.9	12.1
	3	14.1	11.0	9.0	7.8	7.1	8.1	12.4
	4	14.4	11.4	9.3	8.2	7.3	8.4	12.8
1983	1	14.9	11.7	9.7	8.2	7.5	8.6	13.3
	2	15.3	11.9	9.9	8.3	7.7	8.8	13.5
	3	15.3	12.0	10.0	8.4	7.8	9.0	13.5
	4	15.5	11.9	10.1	8.4	7.9	9.1	13.3
1984	1	15.8	12.0	10.2	8.2	7.8	9.0	13.3
	2	16.0	12.1	10.3	8.2	7.9	9.1	13.3
	3	16.2	12.3	10.5	8.3	8.1	9.3	13.4
	4	16.5	12.5	10.7	8.4	8.2	9.5	13.6
1985	1	16.3	12.5	10.8	8.3	8.2	9.7	13.5
	2	16.4	12.6	10.8	8.5	8.3	9.7	13.5
	3	16.4	12.6	10.8	8.5	8.3	9.8	13.5
	4	16.4	12.7	10.8	8.6	8.3	9.8	13.4
1986	1	16.7	13.1	10.9	8.8	8.4	10.0	13.5
	2	16.5	13.3	10.9	9.0	8.6	10.1	13.6

		North West	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
		DPBO	DPBP	DPBQ	DPAJ	DPBR	BCJE
1981	1	9.7†	10.1†	9.5†	7.5†	12.4†	7.6†
	2	10.5	10.7	10.3	8.2	13.0	8.3
	3	11.2	11.2	10.9	8.7	13.2	8.8
	4	11.6	11.6	11.2	9.1	13.5	9.2
1982	1	11.9	12.0	11.4	9.3	14.0	9.4
	2	12.3	12.2	11.5	9.5	14.5	9.7
	3	12.7	12.6	11.8	9.8	14.8	10.0
	4	13.0	12.8	12.1	10.1	15.4	10.3
1983	1	13.3	13.0	12.3	10.4	15.7	10.4
	2	13.6	13.2	12.5	10.6	16.1	10.7
	3	13.7	13.2	12.6	10.7	16.5	10.8
	4	13.8	13.2	12.7	10.8	16.6	10.8
1984	1	13.8	13.2	12.8	10.8	16.7	10.9
	2	13.8	13.3	12.8	10.9	16.8	11.0
	3	13.9	13.6	12.9	11.0	16.8	11.1
	4	14.0	13.9	13.1	11.2	16.7	11.3
1985	1	13.9	13.8	12.9	11.1	16.7	11.2
	2	14.0	14.0	13.3	11.2	16.9	11.3
	3	14.0	14.0	13.2	11.2	17.2	11.3
	4	13.9	13.9	13.3	11.2	17.4	11.3
1986	1	14.0	14.2	13.3	11.3	17.9	11.5
	2	14.1	14.3	13.5	11.4	18.5	11.6

1 Excluding school-leavers.
2 The seasonally adjusted series have been revised to allow for all discontinuties,to be consistent with the current coverage.
3 See footnote 5 on page 36.
Note. The chart on page 39 does not reflect the change in definition. It will be updated in the next issue.

Regional unemployment rates

Percentage rates seasonally adjusted



Average earnings

Seasonally adjusted

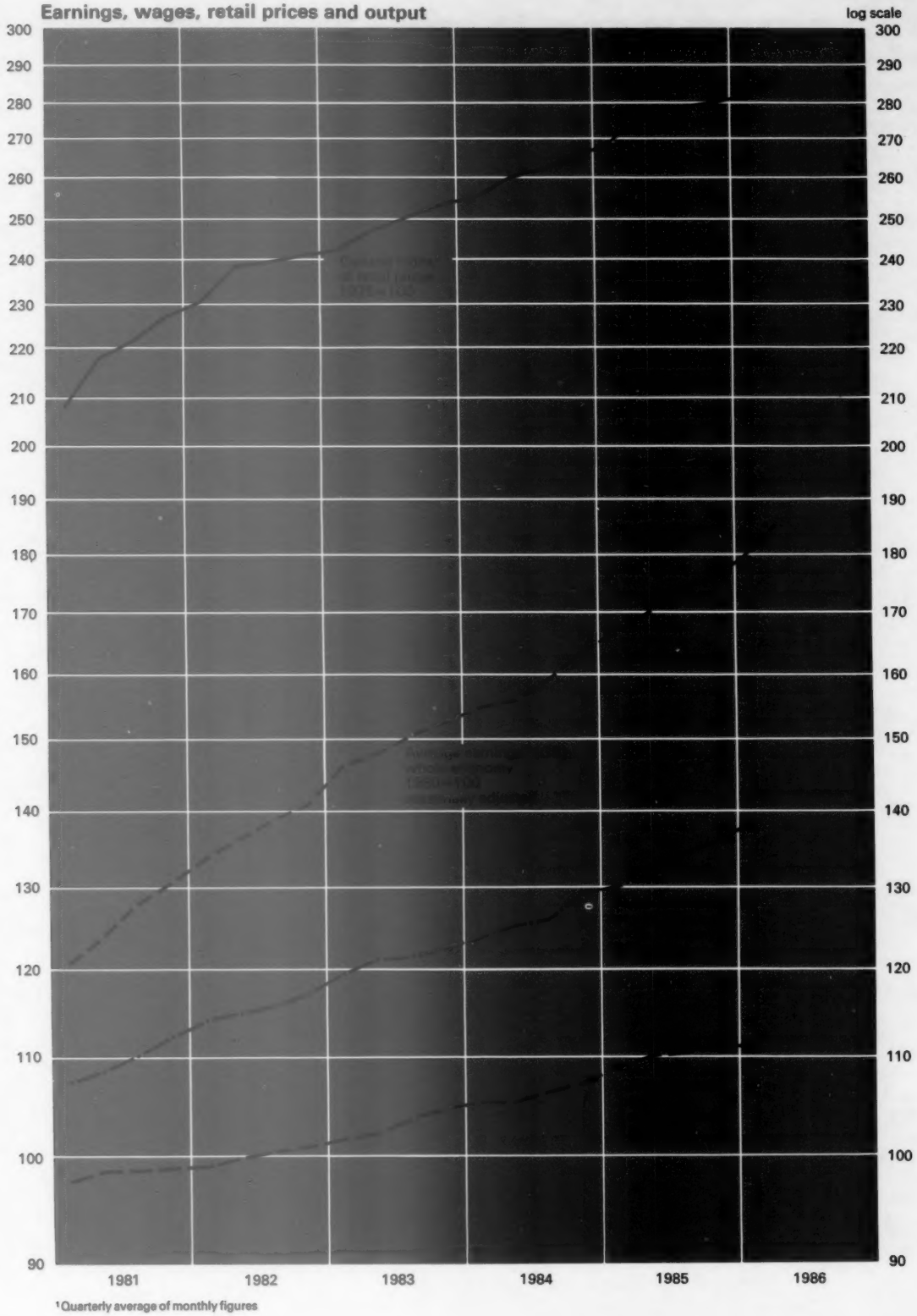
January 1980 = 100

1980 = 100

		Average earnings (GB)(1)									Wages and salaries per unit of output	
		Whole economy	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Production industries (3)	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Manufacturing industry(3)	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Whole economy(4)	Manufacturing industry
		DNAA	FIAJ		DNAE	FIAK		DNAC	FIAL		DJDQ	FIAH
1978		..	..		..	..		..	..		71.8	71.1
1979		..	..		..	..		..	..		81.6	81.8
1980		111.4	..		109.4	..		109.1	..		100.0	100.0
1981		125.8	12.9		124.1	13.5		123.6	13.3		109.8	109.3
1982		137.6	9.4		138.2	11.4		137.4	11.2		115.9	114.6†
1983		149.2	8.4		150.0	8.6		149.7	9.0		121.3	116.3
1984		158.3	6.1		158.5	5.7		162.8	8.7		126.2	120.7
1985		171.7	8.5		176.2	11.2		177.6†	9.2		133.2	128.0
		FIAI	FIAM		FIAN	FIAO		FIAP	FIAQ		DJDO	FIAR
1983	2	147.9	8.5		148.4	8.4		148.0	8.5		121.2	116.9
	3	150.4	8.2		151.4	8.7		150.9	9.0		121.3	116.0
	4	152.5	8.0		155.3	9.0		155.5	9.7		122.5	117.5
1984	1	154.9	6.1		155.8	7.4		158.3	9.5		123.6	118.7†
	2	155.9	5.4		155.1	4.6		160.0	8.1		125.2	119.3
	3	159.1	5.8		159.2	5.1		164.2	8.8		126.0	120.7
	4	163.3	7.1		163.9	5.5		168.6	8.4		129.4	124.1
1985	1	166.8	7.7		168.6	8.2		172.5	9.0		130.1	124.7
	2	170.2	9.2		174.8	12.7		176.1	10.0		131.6	126.1
	3	173.9	9.3		179.1	12.5		179.3	9.2		134.5†	129.4
	4	176.1	7.8		182.5	11.3		182.8	8.4		136.0	131.9
1986	1	180.6	8.3		185.8	10.2		186.1	7.5		138.9	134.3
		DNAB	FIAB	FIAC	DNAF	FIAD	FIAE	DNAD	FIAF	FIAG		DMBG
1983	S	150.7	8.5	7.75	153.0	9.1	9.00	152.4	9.4	9.25	..	117.4†
	O	152.0	8.7	7.75	155.4	10.1	9.25	154.4	9.5	9.50	..	116.9
	N	152.1	7.3	7.75	154.7	8.3	9.25	155.6	9.9	9.75	..	118.4
	D	153.4	8.0	8.00	155.8	8.3	9.25	156.6	9.7	9.75	..	117.1
1984	J	154.7	7.1	7.75	156.0	7.9	9.00	157.0	9.0	9.50	..	117.2
	F	155.6	5.7	7.75	157.8	8.7	9.00	158.7	9.6	9.50	..	119.5
	M	154.4	5.5	7.75	153.7	5.8	9.00	159.2	9.8	9.50	..	119.3
	A	155.8	6.0	7.75	154.5	4.0	8.75	159.5	7.7	9.25	..	118.4
	M	156.0	5.0	7.75	154.7	4.2	8.75	159.5	7.6	9.25	..	119.3
	J	156.0	5.3	7.75	156.1	5.3	8.75	161.1	9.0	9.25	..	120.1
	J	158.2	5.3	7.50	157.6	5.1	8.50	162.9	8.8	9.00	..	120.5
	A	159.0	5.9	7.50	158.7	4.9	8.25	163.7	8.6	8.75	..	120.2
	S	160.2	6.3	7.50	161.4	5.5	8.25	166.1	9.0	8.75	..	121.5
	O	164.5	8.2	7.50	163.6	5.3	8.00	168.3	9.0	8.50	..	124.2
	N	162.0	6.5	7.50	163.4	5.6	8.00	168.1	8.0	8.50	..	124.0
	D	163.5	6.6	7.50	164.7	5.7	8.00	169.5	8.2	8.50	..	124.0
1985	J	165.5	7.0	7.50	167.1	7.1	8.25	171.7	9.4	8.50	..	124.7
	F	166.5	7.0	7.50	167.6	6.2	8.25	172.0	8.4	8.50	..	124.7
	M	168.3	9.0	7.50	171.0	11.3	8.25	173.8	9.2	8.75	..	124.8
	A	170.6	9.5	7.50	175.5	13.6	8.25	177.6	11.3	8.75	..	127.3
	M	169.7	8.8	7.50	173.2	12.0	8.50	174.4	9.3	9.00	..	125.2
	J	170.2	9.1	7.50	175.6	12.5	8.50	176.2	9.4	9.00	..	125.7
	J	172.2	8.8	7.50	177.8	12.8	8.75	178.3	9.5	9.00	..	129.3
	A	173.1	8.9	7.50	177.8	12.0	8.75	178.1	8.8	9.00	..	128.2
	S	176.4	10.1	7.75	181.7	12.6	8.75	181.5	9.3	9.00	..	130.8
	O	174.3	8.0	7.50	180.8	10.5	8.75	180.9	7.5	8.75	..	130.9
	N	175.9	8.6	7.50	182.4	11.6	8.75	182.9	8.8	8.75	..	132.2
	D	178.1	8.9	7.50	184.2	11.8	8.75	184.7	9.0	8.75	..	132.8
1986	J	179.1	8.2	7.50	185.5	11.0	8.75	185.5	8.0	8.50	..	134.5
	F	180.0	8.1	7.50	185.9	10.9	8.50	186.0	8.1	8.25	..	133.9
	M	182.6	8.5	7.50	186.0	8.8	8.25	186.9	7.5	8.00	..	134.6
	A	185.3†	8.6†	7.50	189.9†	8.2†	8.25	191.1†	7.6†	7.75†	..†	137.2
	M	182.4	7.5	7.50†	186.9	7.9	8.25†	187.5	7.5	7.50	..	134.3

1 The seasonal adjustment factors currently used are based on data up to December 1982.
2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in Employment Gazette June 1986.
3 Revised definition.
4 The method for calculating whole economy unit wage costs has been revised. The output measure of GDP has replaced the income measure in the calculation, and an adjustment incorporated to cover the earnings of the self-employed. (See 'Employment Gazette', May 1986.)

Earnings, wages, retail prices and output



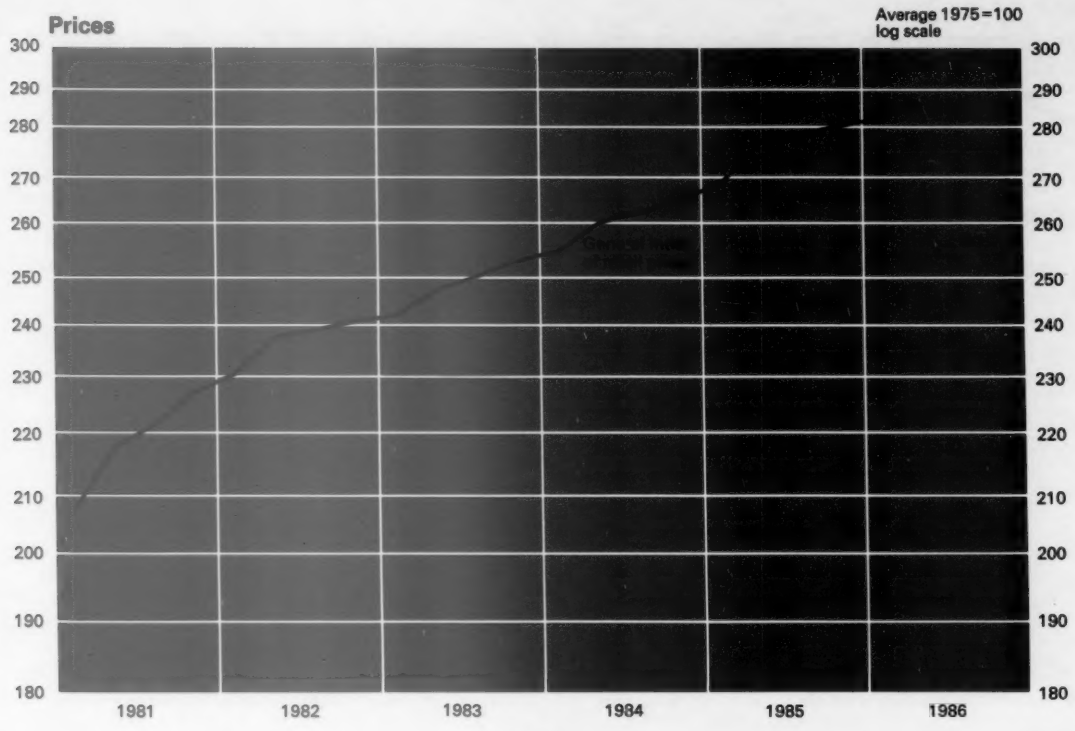
[1] Quarterly average of monthly figures

Prices

		Seasonally adjusted	Unadjusted									
		Average 1980=100		Average 1975=100(1)								Average 1980=100p
		Producer price index		General index of retail prices						Pensioner price index(2)		
		Materials and fuel purchased by manufacturing industry	Output All manufactured products Home sales	All items Index	All items Percentage increase on year earlier	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food Percentage increase on year earlier	One person household	Two person household	Purchasing power of the pound(3)
		DZDQ	DZCV	FJAC	FJAD	FJAE	FJAF	FJAG	FJAH	FJAI	FJAJ	FJAK
1977		78.9	72.0	135.0	15.9	142.8	132.8	134.4	16.1	139.1	138.7	145
1978		81.6	79.1	146.2	8.3	152.9	144.3	146.4	9.0	150.4	149.8	134
1979		92.2	87.7	165.8	13.3	171.2	164.3	165.9	13.2	168.0	167.6	118
1980		100.0	100.0	195.6	18.1	191.9	196.5	196.3	18.5	195.7	194.5	100
1981		108.3	109.5	218.8	11.9	206.2	221.6	219.8	11.9	218.0	217.1	88
1982		117.2	118.0	237.6	8.7	224.5	241.1	238.4	8.5	238.3	236.8	82
1983		125.3	124.4	248.6	4.6	231.6	253.1	249.5	4.7	249.0	247.6	79
1984		135.5	132.1	260.9	5.0	244.6	265.2	261.4	4.7	261.4	260.3	75
1985		137.7	139.4	276.8	6.1	252.3	283.2	277.9	6.3	274.1	273.0	71
1982	2	115.8	117.5	238.5	9.4	228.1	241.3	238.2	8.9	238.8	237.3	82
	3	117.4	118.7	239.6	8.0	222.8	244.0	240.9	8.0	239.3	237.6	82
	4	119.7	120.1	241.3	6.2	223.9	246.0	243.1	6.5	242.5	240.8	81
1983	1	122.2	121.8	242.6	4.9	226.6	246.8	244.0	5.5	245.3	243.3	81
	2	123.6	124.2	247.5	3.8	229.8	252.2	248.6	4.4	247.6	246.3	79
	3	126.7	125.1	250.7	4.6	232.8	255.5	251.6	4.4	249.6	248.4	78
	4	128.7	126.8	253.5	5.0	237.3	257.7	253.9	4.4	253.6	252.4	77
1984	1	131.0	129.0	255.1	5.1	241.3	258.7	255.2	4.6	256.6	255.4	77
	2	134.1	132.0	260.3	5.1	246.9	263.8	260.0	4.6	261.9	261.1	75
	3	136.3	132.8	262.5	4.7	245.1	267.2	263.3	4.6	262.1	261.0	74
	4	140.6	134.5	265.8	4.8	245.2	271.2	267.0	5.2	264.8	263.8	74
1985	1	143.7	136.6	269.2	5.5	249.7	274.3	270.0	5.8	269.0	268.0	73
	2	138.7	139.4	278.4	7.0	254.6	284.6	279.0	7.3	275.1	274.1	70
	3	135.4	140.2	279.1	6.3	251.6	286.4	280.7	6.6	275.0	273.9	70
	4	133.0	141.4	280.5	5.5	253.1	287.7	281.9	5.6	277.4	276.2	70
1986	1	130.0†	143.4	282.5	4.9	257.6	289.0	283.4	5.0	280.1	278.8	69
	2	126.4	145.7†	286.1†	2.8†	262.2†	292.4†	286.6†	2.7†			68†
1984	J	134.9	132.2	261.0	5.1	248.0	264.4	260.9	4.7	..	..	75
	J	135.7	132.5	260.7	4.5	246.4	264.6	261.1	4.1	..	..	75
	A	135.7	132.6	263.2	5.0	245.2	267.9	263.9	4.8	..	..	74
	S	137.6	133.2	263.7	4.7	243.7	269.0	264.9	5.0	..	..	74
	O	140.3	134.0	265.3	5.0	244.7	270.8	266.5	5.2	..	..	74
	N	140.3	134.5	266.1	4.9	245.0	271.7	267.4	5.3	..	..	73
	D	141.2	134.9	265.9	4.6	245.8	271.2	267.2	5.0	..	..	74
1985	J	142.6	135.8	266.9	5.0	248.0	271.8	267.8	5.3	..	..	73
	F	144.4	136.6	269.0	5.4	249.4	274.2	269.9	5.8	..	..	73
	M	144.2	137.5	271.6	6.1	251.8	276.9	272.2	6.4	..	..	72
	A	140.1	139.1	277.3	6.9	254.2	283.4	277.9	7.3	..	..	71
	M	138.6	139.5	278.6	7.0	254.5	284.9	279.3	7.4	..	..	70
	J	137.4	139.6	279.2	7.0	255.1	285.5	279.9	7.3	..	..	70
	J	135.6	139.9	278.7	6.9	251.5	285.8	280.2	7.3	..	..	70
	A	135.4	140.1	279.4	6.2	251.5	286.8	281.1	6.5	..	..	70
	S	135.1	140.5	279.3	5.9	251.9	286.5	280.9	6.0	..	..	70
	O	133.6	140.8	279.7	5.4	251.7	287.1	281.3	5.6	..	..	70
	N	133.1	141.5	280.7	5.5	253.1	287.9	282.1	5.5	..	..	70
	D	132.2	141.9	281.0	5.7	254.6	288.0	282.2	5.6	..	..	70
1986	J	131.6†	142.7	281.6	5.5	255.9	288.4	282.7	5.6	..	..	69
	F	130.2	143.3	282.7	5.1	257.8	289.3	283.7	5.1	..	..	69
	M	128.2	144.3	283.1	4.2	259.0	289.4	283.8	4.2	..	..	69
	A	126.6	145.4†	285.8	3.0	260.6	292.4	286.5	3.1	..	..	68
	M	126.8	145.9	286.4	2.8	262.4	292.5	286.7	2.7	..	..	68
	J	125.9	145.9	286.2†	2.5†	263.6†	292.2†	286.5†	2.4†	..	..	68†

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 All items except housing.
3 Movements in the purchasing power of the pound are based on movements in the general index of retail prices.

Prices


Average 1975=100
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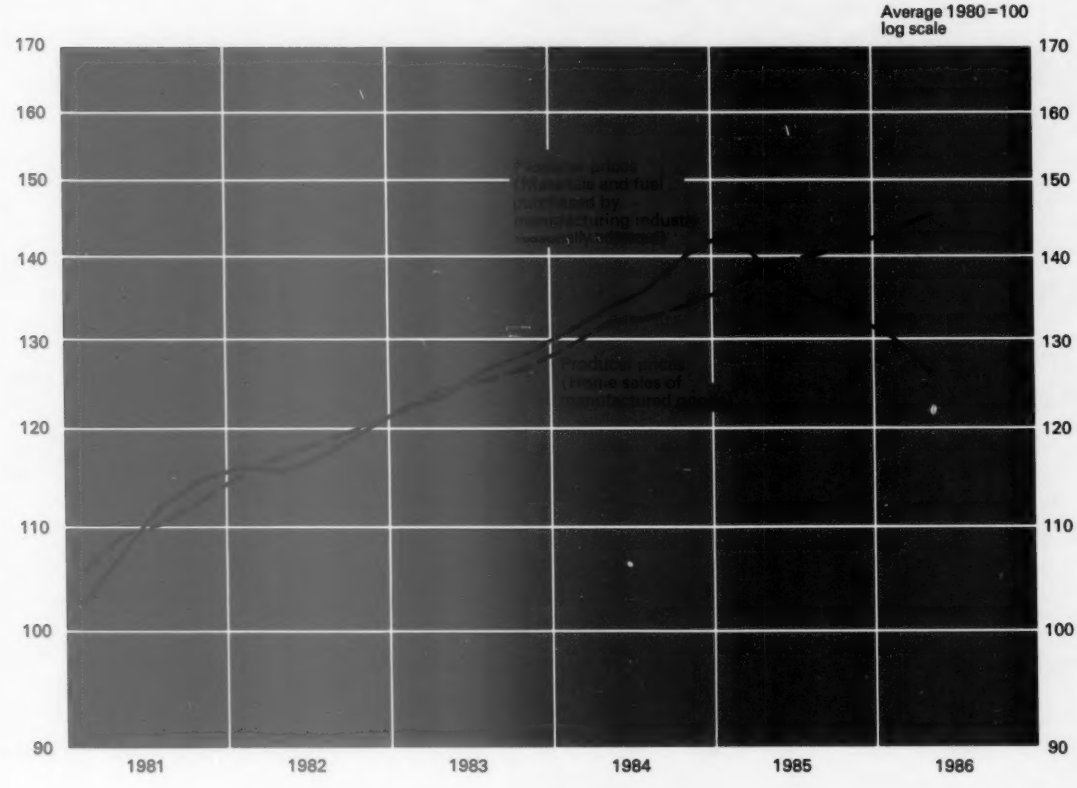
300
290
280
270
260
250
240
230
220
210
200
190
180
1981
1982
1983
1984
1985
1986

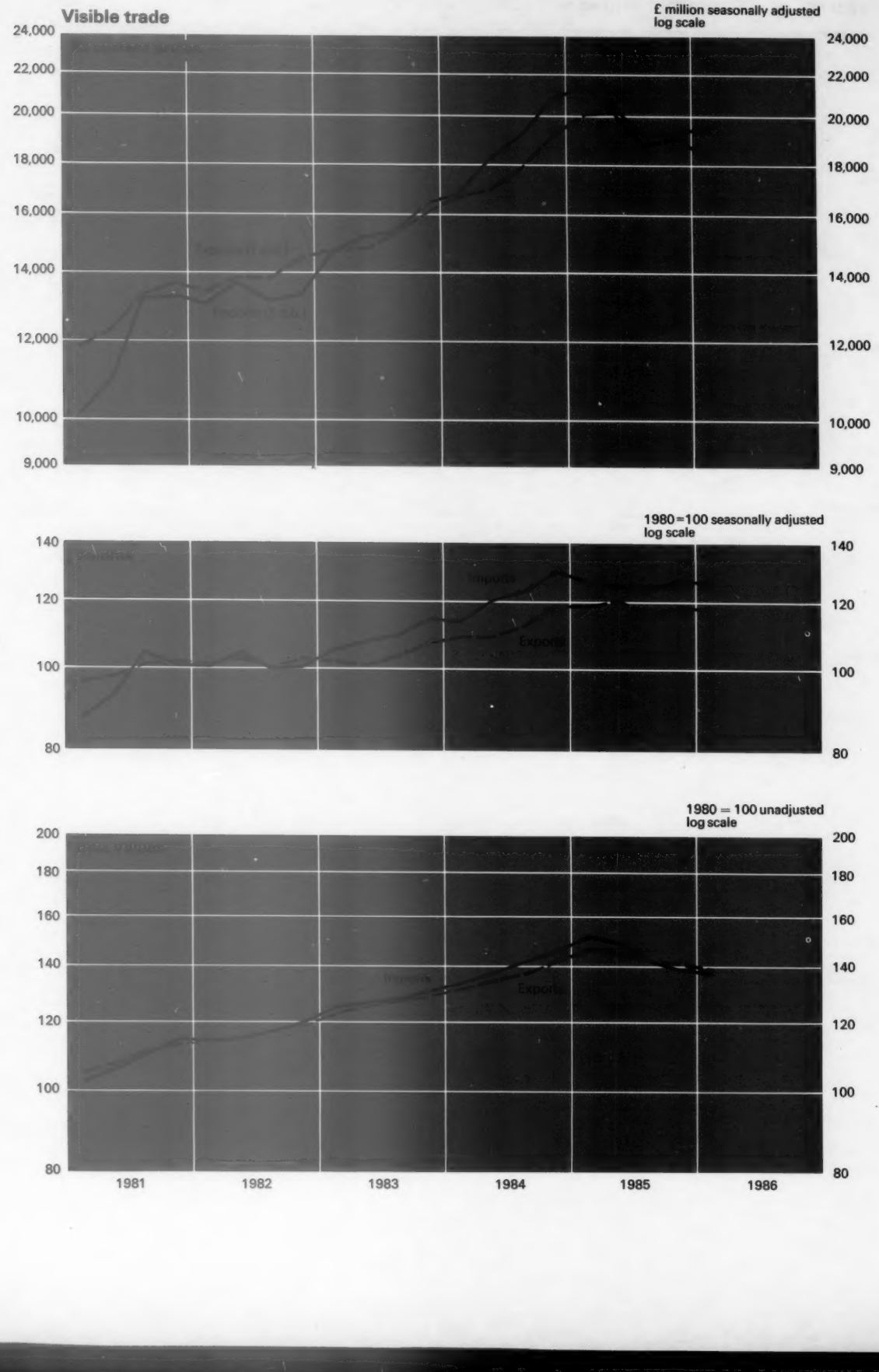

Average 1980=100
log scale
170
160
150
140
130
120
110
100
90
1981
1982
1983
1984
1985
1986

Visible trade

		Seasonally adjusted		Unadjusted		
		1980=100		1980=100		
		Volume indices(1)		Unit value indices(1)		
		Exports	Imports	Exports	Imports	Terms of trade(2)
		CSTK	CSTM	CSTJ	CSTL	CGTN
1975		77.8	84.7	50.9	58.0	87.6
1976		85.4	89.6	60.8	70.9	85.7
1977		92.1	91.3	72.0	82.1	87.7
1978		94.5	95.5	79.1	85.2	92.7
1979		99.1	105.7	87.6	90.9	96.4
1980		100.0	100.0	100.0	100.0	100.0
1981		99.3	96.3	108.8	108.2	100.5
1982		101.9	101.5	116.2	116.7	99.6
1983		103.8	109.7	125.7	127.5	98.6
1984		112.5	121.9	136.0	138.7	97.4
1985		118.6	125.7	143.5	145.2	98.8
		CSTR	CSTS	CSTO	CSTP	CSTQ
1983	1	102.1	105.6	123.0	125.1	98.3
	2	101.3	108.0	124.9	126.7	98.5
	3	103.7	110.0	126.9	127.7	99.4
	4	107.9	115.1	128.2	130.4	98.3
1984	1	109.5	113.9	131.4	133.9	98.2
	2	109.1	120.2	134.3	137.6	97.5
	3	112.6	123.3	137.1	141.4	96.9
	4	118.7	130.1	141.3	145.8	96.9
1985	1	118.6	126.6	146.4	152.3	96.1
	2	120.5	124.8	145.5	148.8	97.8
	3	116.3	124.1	141.7	141.4	100.2
	4	118.9	127.4	140.5	138.3	101.6
1986	1	117.4	126.1	139.0	137.6	101.0
1983	J	104.7	107.7	124.8	125.6	99.4
	J	100.5	110.2	125.8	126.7	99.3
	A	103.6	109.9	127.2	127.9	99.4
	S	107.1	109.8	127.7	128.4	99.5
	O	104.1	118.0	127.4	128.8	98.1
	N	105.6	112.3	128.0	130.3	98.2
	D	114.0	115.0	129.3	131.2	98.5
1984	J	103.9	112.7	131.2	133.0	98.7
	F	113.5	112.1	131.6	134.3	98.0
	M	111.0	117.0	131.5	134.4	97.8
	A	105.3	119.9	133.1	137.1	97.1
	M	109.8	121.5	134.2	138.0	97.2
	J	112.3	119.3	135.5	137.8	98.3
	J	107.7	113.7	135.3	140.0	96.6
	A	115.6	127.3	138.0	141.5	97.6
	S	114.6	128.8	137.9	142.9	96.5
	O	117.1	134.7	140.3	144.5	97.1
	N	119.3	125.8	141.2	146.2	96.6
	D	119.8	129.8	142.4	146.8	97.0
1985	J	118.3	122.1	143.8	149.0	96.5
	F	119.8	126.7	146.6	153.2	95.7
	M	117.8	131.2	148.7	154.7	96.1
	A	122.0	127.4	147.1	151.9	96.8
	M	121.8	122.2	145.3	148.3	98.0
	J	117.9	124.7	144.0	146.1	98.6
	J	117.9	126.1	142.2	143.5	99.1
	A	114.4	122.7	141.4	140.3	100.8
	S	116.7	123.6	141.4	140.5	100.6
	O	118.8	125.0	140.5	139.1	101.0
	N	118.5	129.6	140.4	137.6	102.1
	D	119.4	127.8	140.5	138.2	101.7
1986	J	118.7	120.3	140.7	138.3	101.7
	F	120.7	125.8	138.7	137.8	100.7
	M	112.7	132.2	137.5	136.6	100.7
	A	122.2	121.9	135.3	133.0	101.7
	M	120.7†	131.4†	134.4†	131.5†	102.2†

1 On a balance of payments basis.
2 Unit value index for exports expressed as a percentage of unit value index for imports.

Visible trade



Measures of UK competitiveness in trade in manufactures

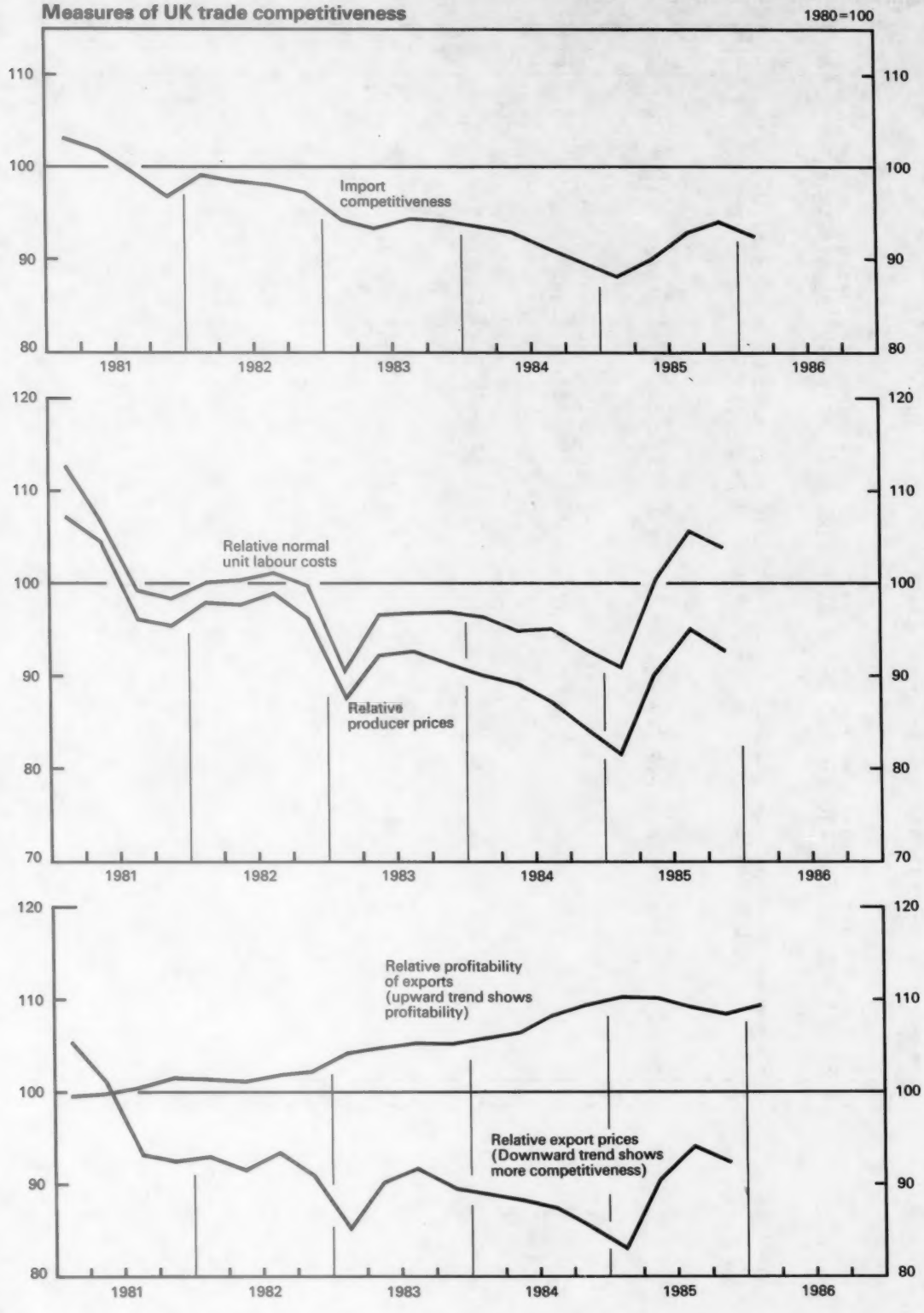
1980 = 100

		Summary measures(1)						Export unit value index(2)				
		Relative export prices(3)	Relative producer prices(3)	IMF index of relative unit labour costs(2) Actual	IMF index of relative unit labour costs(2) Normalised	Import price competitiveness(4)	Relative profitability of exports(4)	United Kingdom	United States	Japan	France	Federal Republic of Germany
		FLBA	FLBB	FLBC	FLBD	FLBE	FLBF	FLBG	FLBH	FLBI	FLBJ	FLBK
1982		92.2	97.7	93.3†	100.6	98.5	101.8	85.9	118	101	83	85
1983		89.2	91.0	85.2	95.4	94.3	105.0	81.0	120	97	79	82
1984		87.7	87.7	84.2	94.6†	92.0	107.8	77.1	121	97†	78	74
1985		89.8†	90.0	86.6	99.6	91.5	109.7	79.6	124	95	81†	75†
		FLAA	FLAB	FLAC	FLAD	FLAE	FLAF	FLAG	FLAH	FLAI	FLAJ	FLAK
1984	1	89.0	90.1	85.9†	96.4†	93.8	106.0	80.0	121	100	79	77
	2	88.5	89.2	84.2	94.8	93.1	106.6	79.5	121	100	81	76
	3	87.7	87.2	84.0	94.9	91.3	108.7	76.1	121	98	77	72
	4	85.5	84.4	82.6	92.4	89.9	109.8	72.8	122	94	75	70
1985	1	83.1	81.8	78.8	90.5	88.4	110.5	68.7	124	91	71	67
	2	90.9†	90.5	87.1	100.0	90.2	110.3	77.8	124	94†	77	71
	3	93.9	95.0	91.6	105.2	93.1	109.4	84.5	124	95	84	78
	4	91.5	92.8†	89.1	102.6	94.3	108.7	87.6	124	103	91†	85†
1986	1					92.7	109.8	89.5				
		Percentage change, quarter on corresponding quarter of previous year										
1984	1	+4.6	+3.1	+5.9	+6.5	-0.7	+1.5	+0.4	-	+2	-5	-10
	2	-2.0	-3.5	-2.8	-1.4	-0.5	+1.5	-3.8	+1	+3	+3	-10
	3	-4.5	-6.0	-3.1	-2.9	-3.6	+3.0	-6.7	+1	+1	-	-9
	4	-4.6	-7.5	-4.4	-4.9	-4.9	+4.3	-9.0	+2	-5	-3	-10
1985	1	-6.7	-8.4	-8.3	-6.1	-5.8	+4.2	-14.0	+2	-9	-10	-13
	2	+2.7	+1.5	+3.4	+5.5	-3.1	+3.5	-2.2	+2	-6	-5	-7
	3	+7.1	+8.9	+9.0	+10.9	+2.0	+0.6	+11.1	+2	-1	+9	+8
	4	+7.1	+9.9	+7.9	+11.0	+4.9	-1.0	+20.3	+2	-10	+21	+21
1986	1					+4.9	-0.6	+30.3				

		Producer price index(2)					Unit labour costs index(2)				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom(5)	United States	Japan	France	Federal Republic of Germany
		FLBL	FLBM	FLBN	FLBO	FLBP	FLBQ	FLBR	FLBS	FLBT	FLBU
1982		88.7	111.9	92.7	81.1	85.5	86	115	102	79†	82
1983		81.1	113.0	95.5	76.2	82.5	76	111†	107	74	77
1984		75.8	115.8	95.5	71.4	76.2	69	109	103	67	69
1985		77.7	116.3	94.6†	74.2	75.8	71	111	104	66	67
		FLAL	FLAM	FLAN	FLAO	FLAP	FLAQ	FLAR	FLAS	FLAT	FLAU
1984	2	79.2	116.1	98.5	74.3	79.7	72	109†	107	70	72
	3	74.0	116.0	93.4	70.0	74.3	67	108	100	64†	66
	4	70.3	116.1	92.4	68.2	71.6	65	110	98	63	63
1985	1	65.5	116.1	88.4	65.3	67.8	60	111	96	60	60
	2	75.3	116.5	90.2	70.3	71.8	68	111	97	63	63
	3	82.9	116.0	93.8	76.6	77.8	76	110	103	68	68
	4	87.3†	116.7	106.1†	84.7	85.6	81	112	120	75	76
1986	1						84†				
		Percentage change, quarter on corresponding quarter of previous year									
1984	2	-4.6	+3.4	+3.2	-3.3	-5.4	-8	-3	-1	-6	-8
	3	-8.8	+2.2	-	-5.0	-7.0	-11	-1	-5	-10	-12
	4	-12.3	+1.7	-4.2	-6.6	-9.7	-13	-	-8	-10	-13
1985	1	-17.6	+0.8	-9.7	-10.8	-14.5	-18	+2	-10	-13	-19
	2	-4.9	+0.3	-8.4	-5.3	-9.9	-5	+2	-9	-10	-13
	3	+11.9	-	+0.5	+9.3	+4.7	+14	+2	+3	+5	+3
	4	+24.2	+0.5	+14.8	+24.1	+19.6	+25	+2	+23	+20	+20
1986	1						+40				

1 The summary measures of competitiveness were described in Economic Trends No 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in Economic Trends No 319, May 1980 - see footnote 3.
2 All the indices are in terms of US dollars.
3 Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.
4 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
5 See footnote 3 on page 40.

Measures of UK trade competitiveness

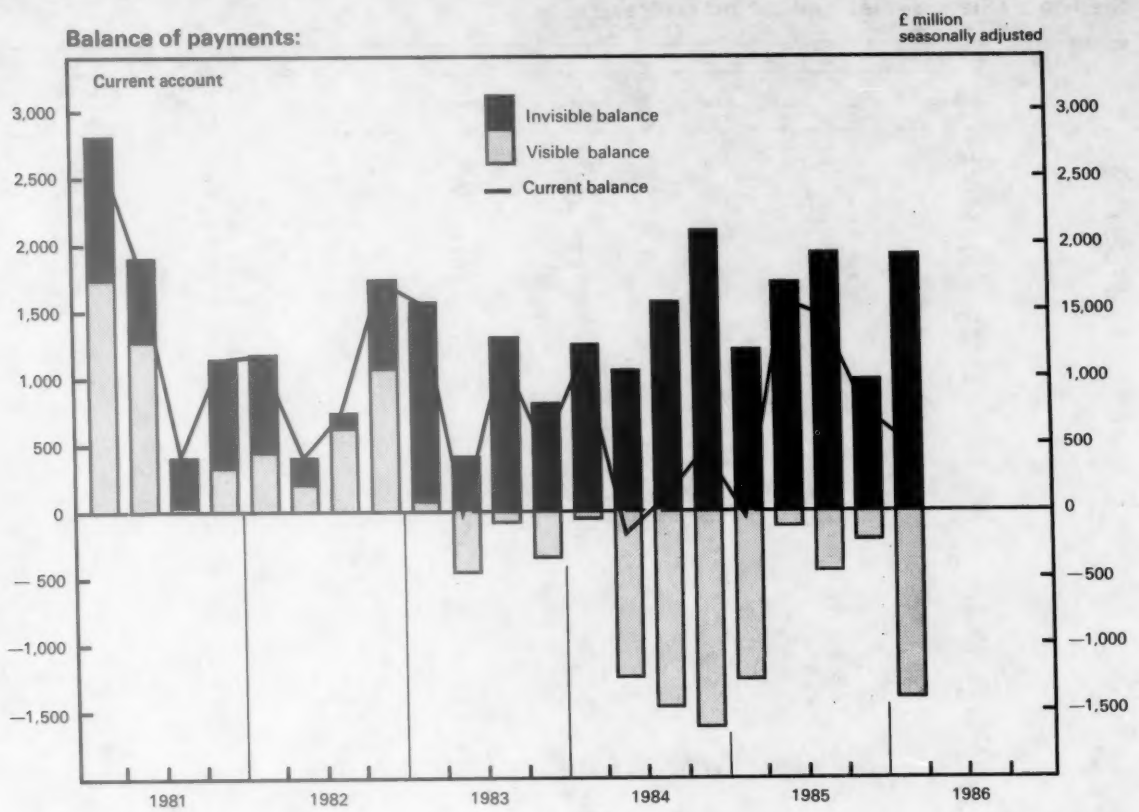


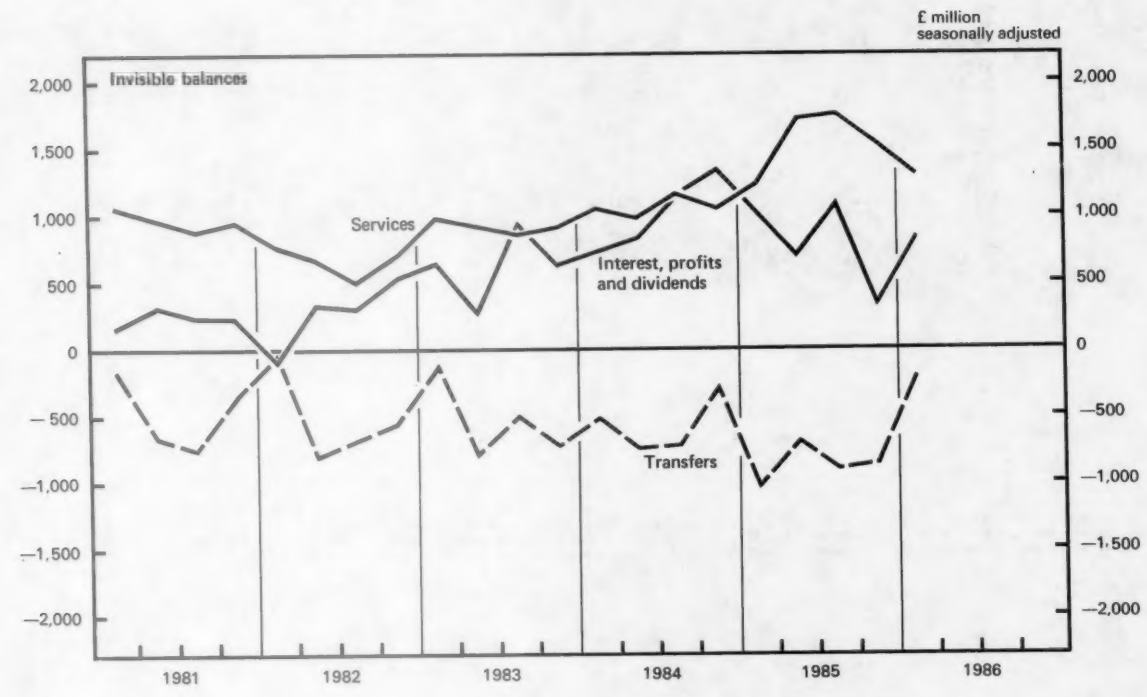
Balance of payments: current account

£ million, seasonally adjusted

		Visible trade			Invisibles						
							Balances				
		Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
		CGJP	CGGL	HCHL	CGJY	CGGY	CGIK	CGIN	CGDA	CGID	AIMG
1975		19 330	22 663	-3 333	15 001	13 250	1 751	1 336	890	-475	-1 582
1976		25 191	29 120	-3 929	19 194	16 178	3 016	2 245	1 557	-786	-913
1977		31 728	34 012	-2 284	21 333	19 177	2 156	3 038	246	-1 128	-128
1978		35 063	36 605	-1 542	24 855	22 341	2 514	3 478	827	-1 791	972
1979		40 687	44 136	-3 449	33 213	30 500	2 713	3 804	1 188	-2 279	-736
1980		47 422	46 061	1 361	41 005	39 266	1 739	4 036	-219	-2 078	3 100
1981		50 977	47 617	3 360	56 666	53 800	2 866	3 870	948	-1 952	6 226
1982		55 565	53 234	2 331	64 680	62 979	1 701	2 645	1 057	-2 001	4 032
1983		60 776	61 611	-835	65 225	61 227	3 998	3 671	2 467	-2 140	3 163
1984		70 367	74 758	-4 391	77 192	71 239	5 953	4 225	4 025	-2 297	1 562
1985		78 072	80 140	-2 068	81 074	75 243	5 831	6 233	3 120	-3 522	3 763
		CBKG	CGHK	AIMA	CGKR	CGHT	AIMB	AIMC	AIMD	AIME	AIMF
1981	2	12 274	11 006	1 268	12 906	12 287	619	980	312	-673	1 887
	3	13 236	13 203	33	14 976	14 615	361	886	236	-761	394
	4	13 624	13 303	321	16 645	15 819	826	952	229	-355	1 147
1982	1	13 481	13 039	442	15 937	15 206	731	776	-105	60	1 173
	2	13 857	13 660	197	16 057	15 864	193	673	327	-807	390
	3	13 803	13 182	621	16 022	15 908	114	505	304	-695	735
	4	14 424	13 353	1 071	16 664	16 001	663	691	531	-559	1 734
1983	1	14 682	14 613	69	17 381	15 886	1 495	975	642	-122	1 564
	2	14 745	15 210	-465	15 406	15 003	403	919	257	-783	-62
	3	15 290	15 376	-86	15 987	14 691	1 296	869	936	-509	1 210
	4	16 059	16 412	-353	16 451	15 647	804	908	622	-726	451
1984	1	16 673	16 738	-65	17 805	16 564	1 241	1 041	725	-525	1 176
	2	16 860	18 100	-1 240	17 963	16 910	1 053	983	818	-748	-187
	3	17 649	19 112	-1 463	19 735	18 175	1 560	1 145	1 146	-731	97
	4	19 185	20 808	-1 623	21 689	19 590	2 099	1 056	1 336	-293	476
1985	1	20 070	21 336	-1 266	21 914	20 706	1 208	1 230	1 015	-1 037	-58
	2	20 237	20 361	-124	20 466	18 755	1 711	1 711	699	-889	1 587
	3	18 748	19 201	-453	19 639	17 714	1 925	1 755	1 083	-913	1 472
	4	19 017	19 242	-225	19 055	18 068	987	1 537	323	-873	762
1986	1	18 204	19 604	-1 400	19 081	17 153	1 928	1 301	832	-205	528
		FFBE	FFBF	AIMN			AIMN(1)				AIMO
1984	M	5 645	6 151	-507	..	..	351	..	..	..	-156
	J	5 846	5 985	-139	..	..	351	..	..	..	212
	J	5 553	5 787	-235	..	..	520	..	..	..	285
	A	6 089	6 619	-530	..	..	520	..	..	..	-10
	S	6 007	6 705	-698	..	..	520	..	..	..	-178
	O	6 248	7 123	-874	..	..	1 052	..	..	..	178
	N	6 417	6 732	-315	..	..	523	..	..	..	208
	D	6 520	6 954	-434	..	..	524	..	..	..	91
1985	J	6 589	6 689	-100	..	..	399	..	..	..	299
	F	6 736	7 147	-412	..	..	383	..	..	..	-29
	M	6 745	7 500	-755	..	..	426	..	..	..	-329
	A	6 929	7 045	-116	..	..	570	..	..	..	454
	M	6 811	6 651	161	..	..	571	..	..	..	732
	J	6 496	6 665	-169	..	..	570	..	..	..	401
	J	6 401	6 600	-199	..	..	642	..	..	..	443
	A	6 105	6 272	-167	..	..	841	..	..	..	474
	S	6 242	6 328	-87	..	..	842	..	..	..	555
	O	6 329	6 323	7	..	..	274	..	..	..	281
	N	6 301	6 515	-214	..	..	273	..	..	..	59
	D	6 387	6 405	-18	..	..	440	..	..	..	422
1986	J	6 269	6 135	155	..	..	935	..	..	..	1 090
	F	6 192	6 535	-344	..	..	496	..	..	..	152
	M	5 723	6 934	-1 211	..	..	497	..	..	..	-714
	A	6 038	6 303	-265	..	..	700	..	..	..	435
	M	5 871	6 537	-666	..	..	700	..	..	..	34

1 One third of the appropriate calendar quarter's estimate except for European Community budget refunds which are allocated to the month in which they are received. Later figures are one third of a quarterly projection plus any European Community budget refund received in the month.

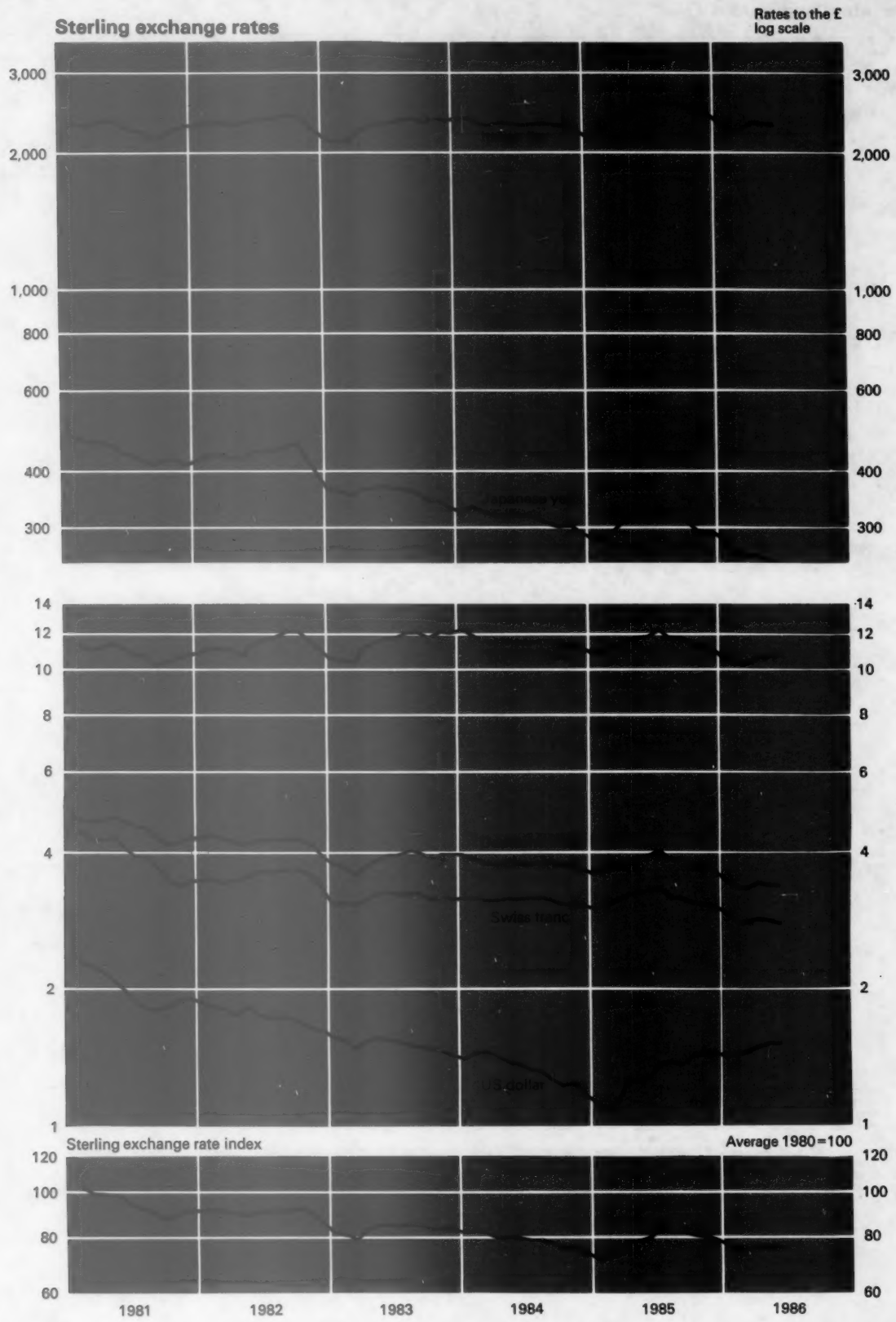

Balance of payments:
£ million
seasonally adjusted
Current account
Invisible balance
Visible balance
Current balance
3,000
2,500
2,000
1,500
1,000
500
0
— 500
—1,000
—1,500
3,000
2,500
2,000
15,000
1,000
500
0
—500
—1,000
—1,500
1981
1982
1983
1984
1985
1986


£ million
seasonally adjusted
Invisible balances
Services
Interest, profits
and dividends
Transfers
2,000
1,500
1,000
500
0
— 500
—1,000
—1,500
—2,000
2,000
1,500
1,000
500
0
—500
—1,000
—1,500
—2,000
1981
1982
1983
1984
1985
1986

Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies(1)						$ million	Average 1975=100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves(2) at end of period	Sterling exchange rate index
		AJEO	AJEA	AJED	AJEE	AJEF	AJEH	AIPI	AJHU
1977		467.7	1.745	4.189	8.57	1 540	4.050	20 557	81.2
1978		402.7	1.920	3.423	8.84	1 628	3.851	15 854	81.5
1979		465.5	2.123	3.527	9.03	1 762	3.887	22 538	87.3
1980		525.6	2.328	3.894	9.83	1 992	4.227	27 476	96.1
1981		444.6	2.025	3.969	10.94	2 287	4.556	23 347	95.3
1982		435.2	1.749	3.547	11.48	2 364	4.243	16 997	90.7
1983		359.9	1.516	3.182	11.55	2 302	3.870	17 817	83.3
1984		316.6	1.336	3.130	11.63	2 339	3.791	15 694	78.8
1985		307.1	1.298	3.155	11.55	2 463	3.784	15 543	78.7
		AJFO	AJFA	AJFD	AJFE	AJFF	AJFH		AJHT
1983	1	360.8	1.532	3.085	10.55	2 144	3.686	17 337	80.6
	2	369.1	1.554	3.225	11.61	2 298†	3.863	17 711	84.3
	3	365.8	1.508	3.242	12.02	2 375	3.989	17 902	84.9
	4	344.1	1.470	3.173	12.00	2 387	3.935	17 817	83.2
1984	1	331.1	1.435	3.157	11.91	2 385	3.876	16 749	81.7
	2	320.7	1.397	3.135	11.62	2 339	3.784	15 505	79.8
	3	315.9	1.298	3.166	11.62	2 334	3.787	15 260	78.0
	4	299.2	1.216	3.060	11.39	2 299†	3.716	15 694	75.1
1985	1	287.1	1.115	3.070	11.09	2 255	3.629	13 528	72.1
	2	315.2	1.258	3.255	11.83	2 475†	3.878	14 318	78.9
	3	328.0	1.376	3.231	11.94	2 503	3.917	14 176	82.1
	4	297.3	1.436	3.063	11.32	2 513	3.708	15 543	79.8
1986	1	270.2	1.440	2.845	10.37	2 300	3.378	18 750	75.1
	2	256.3†	1.509†	2.813†	10.77†	2 322†	3.386†	19 188†	76.1††
1983	A	367.0	1.502	3.250	12.08	2 386	4.015	18 009	85.1
	S	363.3	1.498	3.242	12.08	2 400	3.998	17 902	84.8
	O	348.6	1.497	3.160	11.90	2 368	3.896	18 102	83.4
	N	347.3	1.478	3.206	12.06	2 401	3.965	18 099	83.7
	D	336.4	1.435	3.153	12.02	2 391	3.944	17 817	82.5
1984	J	329.2	1.408	3.167	12.10	2 403	3.958	17 773	81.9
	F	336.4	1.440	3.177	11.97	2 402	3.889	17 983	82.2
	M	327.8	1.457	3.127	11.65	2 350	3.781	16 749	81.0
	A	320.3	1.424	3.114	11.56	2 327	3.760	15 941	79.9
	M	320.3	1.389	3.149	11.71	2 357	3.819	15 835	80.0
	J	321.5	1.377	3.142	11.59	2 333	3.772	15 505	79.4
	J	320.8	1.321	3.181	11.55	2 311	3.761	15 374	78.4
	A	318.3	1.314	3.176	11.64	2 338	3.791	15 347	78.4
	S	308.8	1.259	3.142	11.69	2 352	3.808	15 260	77.3
	O	301.1	1.220	3.079	11.48	2 317	3.744	15 353	75.6
	N	302.2	1.242	3.061	11.40	2 309	3.714	15 496	75.7
	D	294.3	1.187	3.040	11.29	2 270	3.689	15 694	74.0
1985	J	286.6	1.129	2.999	10.95	2 199	3.577	15 521	71.5
	F	284.7	1.093	3.064	11.02	2 229	3.608	15 353	71.3
	M	289.8	1.123	3.148	11.31	2 336	3.701	13 528	73.4
	A	312.3	1.242	3.210	11.69	2 446	3.830	14 025	78.0
	M	314.6	1.250	3.254	11.84	2 476	3.882	13 978	78.8
	J	318.7	1.281	3.292	11.96	2 502	3.923	14 318	79.9
	J	332.6	1.378	3.323	12.21	2 620	4.014	14 256	83.3
	A	328.4	1.383	3.185	11.81	2 591	3.865	14 256	81.7
	S	322.8	1.365	3.185	11.81	2 597	3.871	14 176	81.4
	O	305.2	1.422	3.082	11.46	2 537	3.758	16 310	80.4
	N	293.6	1.440	3.065	11.38	2 523	3.734	15 976	80.0
	D	293.2	1.446	3.043	11.11	2 478	3.632	15 543	79.1
1986	J	284.7	1.423	2.941	10.66	2 368	3.473	15 560	76.6
	F	283.8	1.430	2.792	10.23	2 289	3.335	15 810	74.2
	M	262.1	1.467	2.801	10.23	2 283	3.325	18 750	74.6
	A	262.2	1.499	2.846	10.79	2 332	3.403	18 987	76.3
	M	253.6	1.521	2.817	10.79	2 322	3.387	19 186	76.1
	J	252.8†	1.509†	2.776†	10.74†	2 312†	3.369†	19 188†	75.9†

1 Average of daily Telegraphic Transfer rates in London..
2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of Economic Trends. At end-March 1986 the valuation change increased the level of reserves by $2505 million. The effect of changes in earlier years are given in earlier editions of this table.

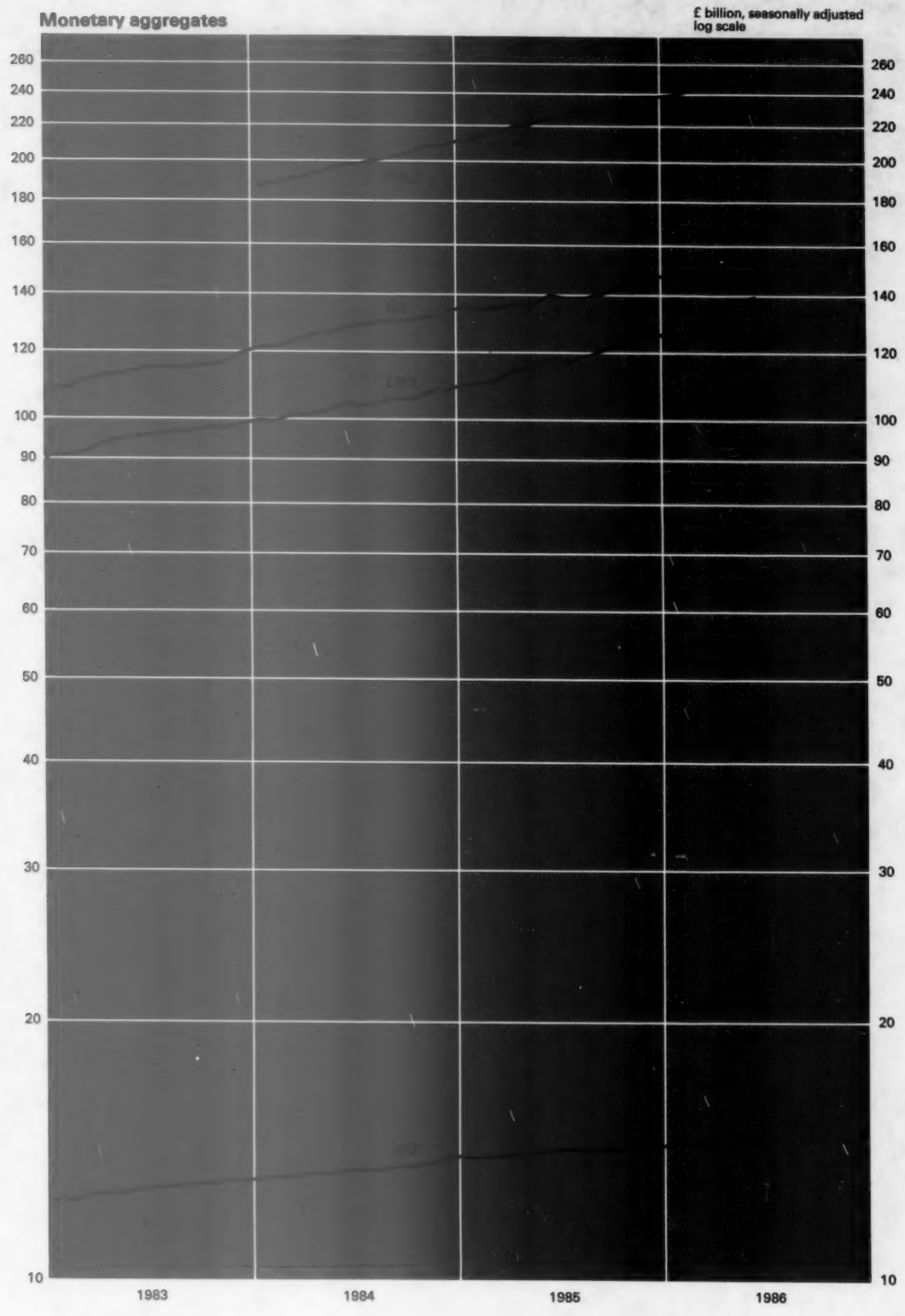

Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
Japanese yen
Swiss franc
US dollar
14
12
10
8
6
4
2
1
Sterling exchange rate index
Average 1980=100
120
100
80
60
1981
1982
1983
1984
1985
1986

Monetary aggregates (1)

£ million

	Seasonally adjusted			Not seasonally adjusted			Seasonally adjusted					
	'Narrow' money						'Broad money'					
	M0-the wide monetary base			M2- transactions balances			£M3(2)			PSL 2 (3)		
	Amount outstanding(4)	Change(4)	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change
At end period							AGBC	AGCT	AGBD	AJWB	AJXB	FHBB
1981 3	..	..	..	..	..	..	74 940	3 460	+4.8	-	-	-
							76 230			=		
4(5)	..	..	..	..	..	..	83 960	1 557	+2.1	=	-	-
1982 1	..	..	..	..	..	..	85 830	1 828	+2.2	-	-	-
2	..	..	..	..	..	..	87 620	1 779	+2.1	-	-	-
3	..	..	..	..	..	..	89 560	1 917	+2.2	-	-	-
4	..	..	..	..	..	..	91 550	1 953	+2.2	-	-	-
							95 850					
1983 1	..	..	..	..	..	..	95 920	3 729	+4.1	-	-	-
2	..	..	..	..	..	..	98 090	2 168	+2.3	-	-	-
3	..	..	..	..	..	..	99 250	1 162	+1.2	-	-	-
4	..	..	..	..	..	..	101 840	2 420	+2.4	-	-	-
1984 1	..	..	..	..	..	..	103 810	1 944	+1.9	194 732	6 049	+3.4
2	..	..	..	..	..	..	106 070	2 248	+2.2	200 962	6 195	+3.2
3	..	..	..	..	..	..	109 000	2 948	+2.8	206 679	5 733	+2.8
4	..	..	..	..	..	..	112 140	2 743	+2.5	213 510	6 417	+3.3
1985 1	..	..	..	..	..	..	116 190	4 053	+3.6	221 932	8 441	+3.9
2	..	..	..	..	..	..	118 450	2 264	+1.9	225 966	4 025	+1.8
3	..	..	..	..	..	..	124 130	5 689	+4.8	233 639	7 661	+3.4
4	..	..	..	..	..	..	127 190	3 058	+2.5	239 921†	6 302	+2.7
1986 1	..	..	..	..	..	..	134 450	7 244	+5.7	250 391	10 449	+4.4
2	..	..	..	..	..	..						
At mid-month	AEGK	AEGV	FHBE	AGAZ	AGDV	FHBC	AGBO	AGDT	AGBP	AJYB	AJZB	FHBD
1983 O	12 951	39	+0.3	115 035	704	+0.6	97 704	1 059	+1.1	-	-	-
				115 282								
N	13 006	55	+0.4	115 954	161	+0.8	97 667	-32	-	-	-	-
D	13 070	64	+0.5	119 487	3 247	+3.0	98 784	909	+0.9	-	-	-
1984 J	13 132	62	+0.5	120 903	1 218	+1.2	99 747	988	+1.0	187 513	2 306	-
F	13 160	28	+0.2	121 127	55	+0.2	99 653	-82	-0.1	188 514	996	+0.5
M	13 229	69	+0.5	122 774	1 585	+1.4	101 049	1 373	+1.4	191 446	2 901	+1.6
A	13 231	2	-	125 094	2 320	+1.9	101 391	377	+0.4	193 018	1 601	+0.8
M	13 298	67	+0.5	125 701	567	+0.5	102 241	898	+0.9	194 937	1 940	+1.0
J	13 425	127	+1.0	127 780	2 029	+1.7	103 986	1 720	+1.7	198 504	3 502	+1.8
J	13 497	72	+0.5	129 180	1 400	+1.1	103 367	-628	-0.6	198 894	366	+0.2
A	13 497	-	-	129 527	347	+0.3	104 049	659	+0.6	200 425	1 507	+0.8
S	13 590	93	+0.7	129 471	-56	-	105 337	1 267	+1.2	202 693	2 251	+1.1
O	13 657	67	+0.5	130 160	689	+0.5	105 795	461	+0.4	204 921	2 233	+1.1
N	13 735	78	+0.6	131 309	1 149	+0.9	108 119	2 313	+2.2	208 567	3 650	+1.8
D	13 924	189	+1.4	133 413	2 002	+1.6	108 484	-102	-0.1	209 249	206	+0.3
1985 J	13 840	-84	-0.6	134 483	1 070	+0.8	109 592	1 093	+1.0	212 297	3 059	+1.5
F	13 875	35	+0.3	133 801	-682	-0.5	109 919	317	+0.3	213 915	1 631	+0.8
M	13 928	53	+0.4	135 033	1 232	+0.9	110 877	978	+0.9	216 095	2 230	+1.0
A	14 026	98	+0.7	136 259	1 226	+0.9	114 119	3 255	+2.9	220 204	4 135	+1.9
M	14 017	-9	-0.1	136 239	-20	-	114 661	508	+0.4	221 321	1 118	+0.5
J	14 122	105	+0.8	139 673	3 434	+2.5	117 358	2 647	+2.3	225 058	3 731	+1.7
J	14 179	57	+0.4	138 633	-1 040	-0.7	116 485	-840	-0.7	225 109	110	-
A	14 100	-79	-0.6	138 862	229	+0.2	116 656†	2 209†	+1.9	227 863†	2 610†	+1.1
S	14 159	59	+0.4	140 532†	1 513†	+1.2	120 798	2 120	+1.8	230 111	2 446	+1.1
O	14 126	-33	-0.2	141 993	1 461	+1.0	121 783	978	+0.8	232 073	1 961	+0.9†
N	14 205	79	+0.6	144 205	2 212	+1.6	124 172	2 407	+2.0	235 753	3 690	+1.6
D	14 254	49	+0.3	146 033	1 828	+1.3	124 876	733	+0.6	237 018	1 308	+0.5
1986 J	14 459	205	+1.4	146 530	497	+0.3	124 930	103	+0.1	238 274	1 306	+0.5
F	14 367	-92	-0.6	146 879	349	+0.2	126 094	1 250	+1.0	241 225	3 034	+1.2
M	14 432	65	+0.5	148 897	2 015	+1.4	128 953	2 804	+2.2	244 978	3 740	+1.6
A	14 469	37	+0.3	151 707	2 770	+1.9	133 076	4 122	+3.2	249 649	4 670	+1.9
M	14 490	21	+0.1	153 802	2 095	+1.4†	136 929	3 843	+2.9†	253 269	3 619	+1.5
J	14 566†	76†	+0.5†	155 913	2 111	+1.4	138 661	1 714	+1.3	256 772	3 200	+1.4

1 Data for M0, £M3 and PSL 2 are seasonally adjusted; there are at present no seasonal adjustments for M2.
2 Excluding public sector deposits (see article in Economic Trends No 364, February 1984).
3 PSL 2 has been redefined to include term shares and SAYE deposits with building societies and bank deposits with an original maturity of over two years. This series is available from the beginning of 1984.
4 The monthly figures for M0 give, in respect of the amounts outstanding, the average of the amounts outstanding on each Wednesday during the banking month and, in respect of the change, the changes between the average amounts outstanding.
5 Changes up to and including the 4th quarter of 1981 in the quarterly series and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.


Monetary aggregates
£ billion, seasonally adjusted
log scale
260
240
220
200
180
160
140
120
100
90
80
70
60
50
40
30
20
10
1983
1984
1985
1986

Counterparts to changes in money stock (1)

£ million, seasonally adjusted(2)

	Domestic counterparts								
	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector(3)	Sub-total of domestic counter-parts	External and foreign currency counterparts(4)	Non-deposit sterling liabilities (net)	Money stock £M3
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt					
	1	2	3	4	5	6	7	8	9
	ABEA	AAZB	AGFA	AGFB	AGFD	AGFE	AGFF	AGGG	AGCJ
1981	10 398	192	793	12 118	11 405	10 670	1 207†	-2 582	9 295
1982	7 855	-2 901	392	11 012	17 556	11 890	-2 915	-1 480	7 515
1983	14 502	-2 874†	498†	11 302	12 903	13 727	-2 295	-1 952	9 480
1984	10 165	48	140	11 269	16 541	15 625	-3 595	-2 183	9 847
1985	11 779	-4 138	1 451	9 332†	20 918†	20 678†	-2 817	-2 806	15 055
	ABED	AAZM	AGFN	AGFO	AGFP	AGFQ	AGFR	AGGI	AGCT
1982 1	-156	247	-91	3 666	5 700	2 216	-277	-111	1 828
2	1 763	-34	16	1 132	3 714	4 295	-2 184	-332	1 779
3	2 824	-1 156	-54	4 281	5 136	2 577	-171	-489	1 917
4	3 424	-1 958	-263	1 933	3 219	3 015	-283	-779	1 953
1983 1	5 144	-739†	9†	1 407	1 924	4 913	-870	-314	3 729
2	3 639	-1 763	-214	2 207	3 527	3 410	-742	-500	2 168
3	2 884	-150	-186	4 666	3 910	2 164	-88	-914	1 162
4	2 835	-222	-107	3 022	3 542	3 240	-595	-225	2 420
1984 1	2 838	-417	216	2 929	4 662	3 738	-1 043	-751	1 944
2	3 374	126	210	2 104	2 961	4 147	-1 826	-73	2 248
3	2 476	244	135	2 858	3 750	3 477	-433	-96	2 948
4	1 677	95	-701	3 378	5 168	4 263	-293	-1 227	2 743
1985 1	2 579	-382	-74	4 676	6 710	4 305	867	-1 120	4 053
2	1 188	132	-196	1 670	4 690	4 536	-959	-1 312	2 264
3	4 696	-1 765	-528	1 354	4 251	6 356	-349	-338	5 669
4	3 316	-2 123	-653	1 632†	5 267†	5 481†	-2 376†	-47	3 058
1986 1	915	-1 325	-158	477	6 984	6 255	1 207	-218	7 244
2	5 160†								

Month ended								
	AGEP	AGEQ	AGER	AGES	AGET	AGEU	AGGJ	AGDT
1984								
Aug 15	976	305	-1 668	680	293	301	65	659
Sep 19	1 465	118	-949	1 365	1 999	-843	111	1 267
Oct 17	311	-9	-1 370	2 087	1 019	-195	-363	461
Nov 21	1 655	397	-1 431	1 691	2 312	375	-374	2 313
Dec 12	-1 122	195	-486	1 581	168	172	-442	-102
1985								
Jan 16	317	81	-987	2 131	1 542	-292	-157	1 093
Feb 20	806	78	-1 654	1 698	929	-676	64	317
Mar 20	1 211	3	-1 140	1 810	1 884	-342	-563	979
Apr 17	908	128	-1 356	2 575	2 255	1 410	-410	3 255
May 15	383	-4	-701	1 438	1 116	45	-653	508
Jun 19	762	-21†	-274	1 336†	1 802†	853†	-8†	2 647
Jul 17	-92	-477	-449	1 531	513	-771	-582	-840
Aug 21	2 090	-362	-561	1 727	2 894	-931	246	2 209†
Sep 18	1 955	-338	-83	971	2 505	-62	-323	2 120
Oct 16	914	-849	-996	2 237	1 506	336	-866	976
Nov 20	1 905	-1 069	-773	2 069	2 112	-937	1 232	2 407
Dec 11	118	449	-280	1 851	2 138	-1 057	-348	733
1986								
Jan 15	53	-352†	387	612†	700†	-217†	-380†	103†
Feb 19	684	-239	-501	1 494	1 438	730	-918	1 250
Mar 19	857	-361	75	2 461	3 032	-280	52	2 804
Apr 16	2 708	-1 333	-913	3 142	3 604	895	-177	4 122
May 21	1 645†	-830	189†	1 683	2 587	821	435	3 843
Jun 18	1 794	-579	-1 120	2 148	2 243	370	-899	1 714

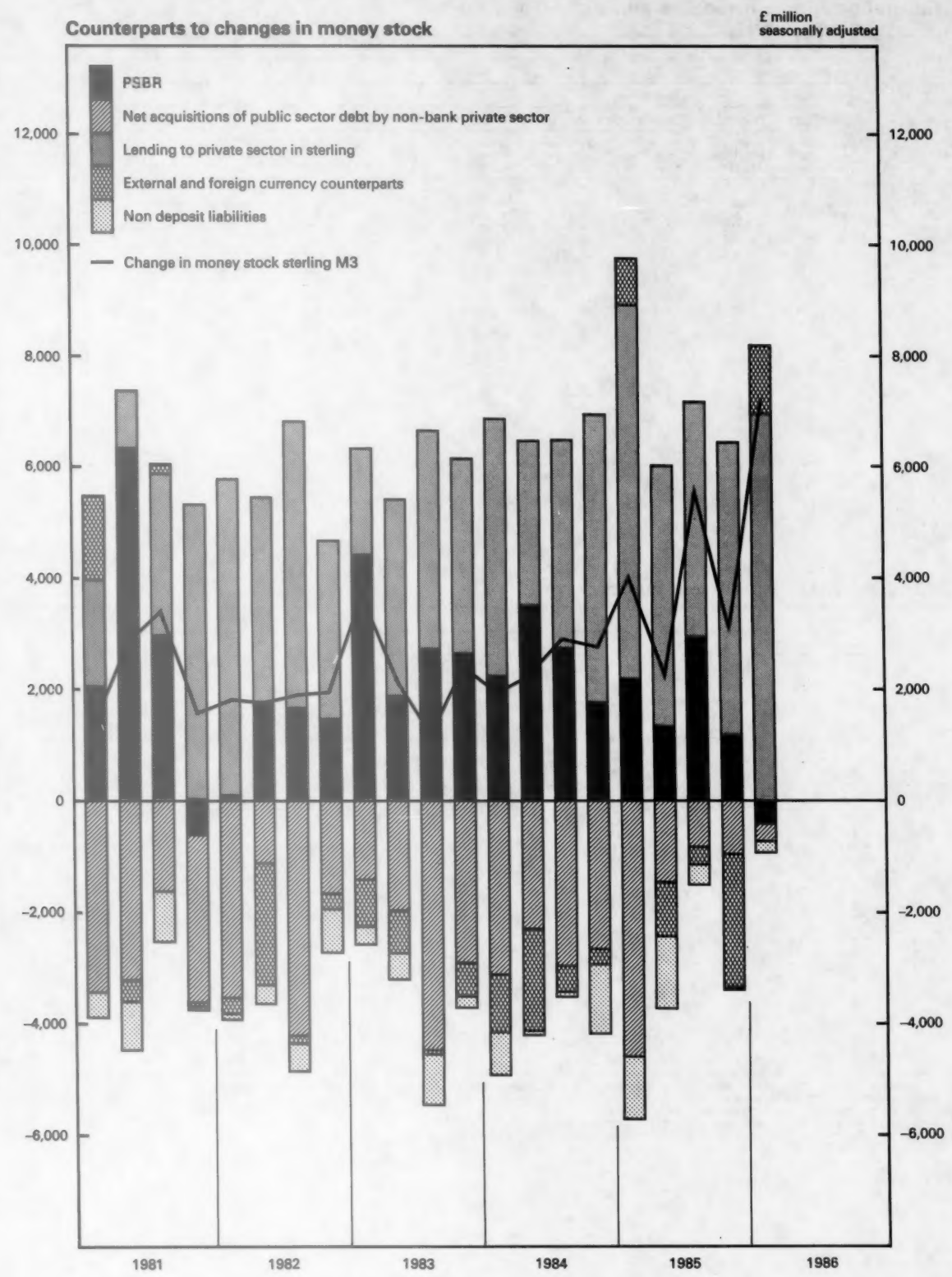
Relationships between columns: 6 = 1+2-3-4+5; 9 = 6+7+8 (The figures combined in the bracket are column 2 less column 3.)

1 Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.

2 The seasonally adjusted figures do not always add to the calender year total which is the sum of unadjusted quarterly figures.

3 Banking sector lending plus Bank of England Issue Department holdings of commercial bills.

4 This now includes net non-deposit liabilities in foreign currency.


Counterparts to changes in money stock
£ million
seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector
Lending to private sector in sterling
External and foreign currency counterparts
Non deposit liabilities
Change in money stock sterling M3
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
1981
1982
1983
1984
1985
1986

General government receipts and expenditure (1)

£ million

		General government									
		Receipts(2)		Expenditure							
		Taxes, and social security contributions	Trading income rent, royalties interest etc.	Goods and services		Current and capital transfers			Net lending etc(3)	Total	Public expenditure planning total
				Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest			
		ABKA	ABKB	AAXI	ABKC	ABKD	AAYG	AAXL	ABAA	ABAB	ABAZ
1982		106 619	12 585	60 382	4 379	44 090	2 918	13 985	2 725	128 479	109 744
1983		114 327	12 099	65 842	6 048	47 980	3 719	14 179	897	138 467	119 117
1984		122 725	12 621	69 721	6 448	52 937	3 977	15 745	-1 917	146 911	125 998
1985		134 590	14 262	73 592	7 189	57 542	3 450	17 528	-1 821	157 480	133 814
1983	1	30 326	3 221	16 457	2 305	11 429	1 071	3 997	956	36 215	31 110
	2	25 848	2 959	16 217	895	12 098	716	2 926	61	32 915	27 341
	3	28 126	2 934	16 232	1 432	12 054	867	3 893	19	34 497	29 451
	4	30 027	2 985	16 736	1 416	12 399	1 065	3 363	-139	34 840	31 215
1984	1	32 108	3 132	16 889	2 310	13 346	1 327	4 349	-377	37 844	32 299
	2	27 961	3 046	17 127	1 052	13 237	849	3 325	-23	35 567	30 280
	3	30 909	3 246	17 649	1 598	13 180	849	4 149	-357	37 068	31 271
	4	31 747	3 197	18 056	1 488	13 174	952	3 922	-1 160	36 432	32 148
1985	1	35 100	3 595	18 412	2 484	14 961	1 083	4 658	-451	41 147	36 233
	2	30 555	3 534	18 211	1 249	13 951	679	3 849	-1 581	36 358	30 260
	3	34 010	3 476	18 209	1 727	14 209	848	4 667	-15	39 645	32 932
	4	34 925	3 657	18 760	1 709	14 421	840	4 354	226	40 310	34 389
1986	1	37 519	3 359	19 571	2 740	14 481	946	4 853	-508	42 083	36 052

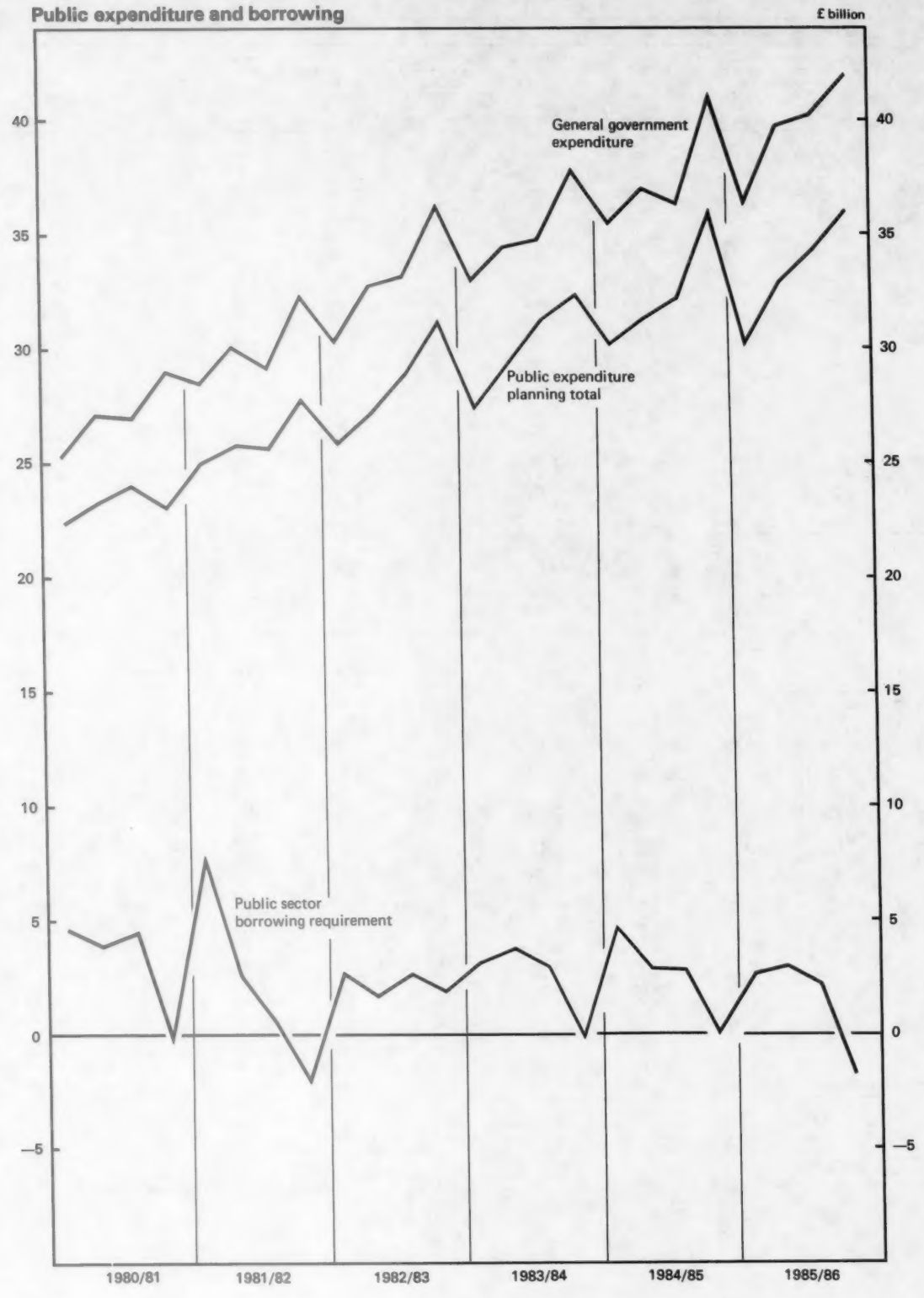
1 An article describing the new presentation of government income and expenditure was published in the March 1977 issue of Economic Trends.
2 Excluding financial transactions.
3 Net lending to public corporations, private sector and oversees; cash expenditure on company securities, etc.(net).

Financial transactions of the public sector

£ million

		Financial deficit(1)			Net lending etc., to private sector and overseas(3)	Receipts		Borrowing requirement(4)				
		Total	General government(2)	Public corporations		Total	Financial transactions (net receipts)	Total	Central government (own account)(5)	Local authorities	Public corporations	Seasonally adjusted Total(6)
		FZAA	FZAB	FZAC	ABKG	ABKH	ABKI	ABEN	ABEB	ABEG	ABEM	ABFB
1982		7 591	6 550	1 041	765	8 356	3 402	4 954	4 077	-799	1 676	4 954
1983		11 307†	11 144†	163	-653	10 654†	-974†	11 628†	9 203	1 232	1 193†	11 628†
1984		14 039	13 482	557	-2 516	11 523	1 310	10 213	6 891	2 304	1 018	10 213
1985		9 981	10 429	-448	-2 335	7 646	5	7 641	6 179	1 596	-136	7 641
1983	2	4 114	4 047	67	-395	3 719	524†	3 195†	3 659	-100	-364†	1 876†
	3	4 184†	3 418†	766	-242	3 942†	240	3 702	2 961	371	370	2 734
	4	1 380	1 967	-587	-34	1 346	-1 590	2 936	2 501	-186	621	2 613
1984	1	2 700	2 981	-281	-426	2 274	2 354	-80	-933	1 121	-268	2 221
	2	4 517	4 583	-66	-38	4 479	-115	4 594	4 521	554	-481	3 600
	3	4 077	3 270	807	-690	3 387	530	2 857	1 918	884	257	2 720
	4	2 745	2 648	97	-1 362	1 383	-1 459	2 842	1 387	-55	1 510	1 772
1985	1	3 270	2 903	367	-146	3 124	3 240	-116	-1 198	1 202	-120	2 536
	2	3 600	3 850	-250	-1 275	2 325	-263	2 588	2 730	473	-615	578
	3	2 434	2 174	260	-505	1 929	-1 059	2 988	2 358	640	-10	3 101
	4	677	1 502	-825	-409	268	-1 913	2 181	2 289	-717	609	1 126
1986	1	971	1 713	-742	-623	348	2 232	-1 884	-3 263	1 258	121	522
	2							2 527	3 122†	-113†	-482	818
1986	A							854†	211	688†	-45†	
	M							1 074	1 729†	-281	-374	
	J							599	1 182	-520	-63	

1 The excess of current and capital expenditure over receipts; corresponds to a negative figure of financial surplus/deficit.
2 Top table, columns 3 to 7, less 1 and 2.
3 Including cash expenditure on company securities (net).
4 Redefined: see article in Economic Trends No 364, February 1984.
5 Excluding borrowing matched by on-lending to local authorities and public corporations.
6 Calendar year constrained.


Public expenditure and borrowing
£ billion
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
40
35
30
25
20
15
10
5
0
−5
1980/81
1981/82
1982/83
1983/84
1984/85
1985/86

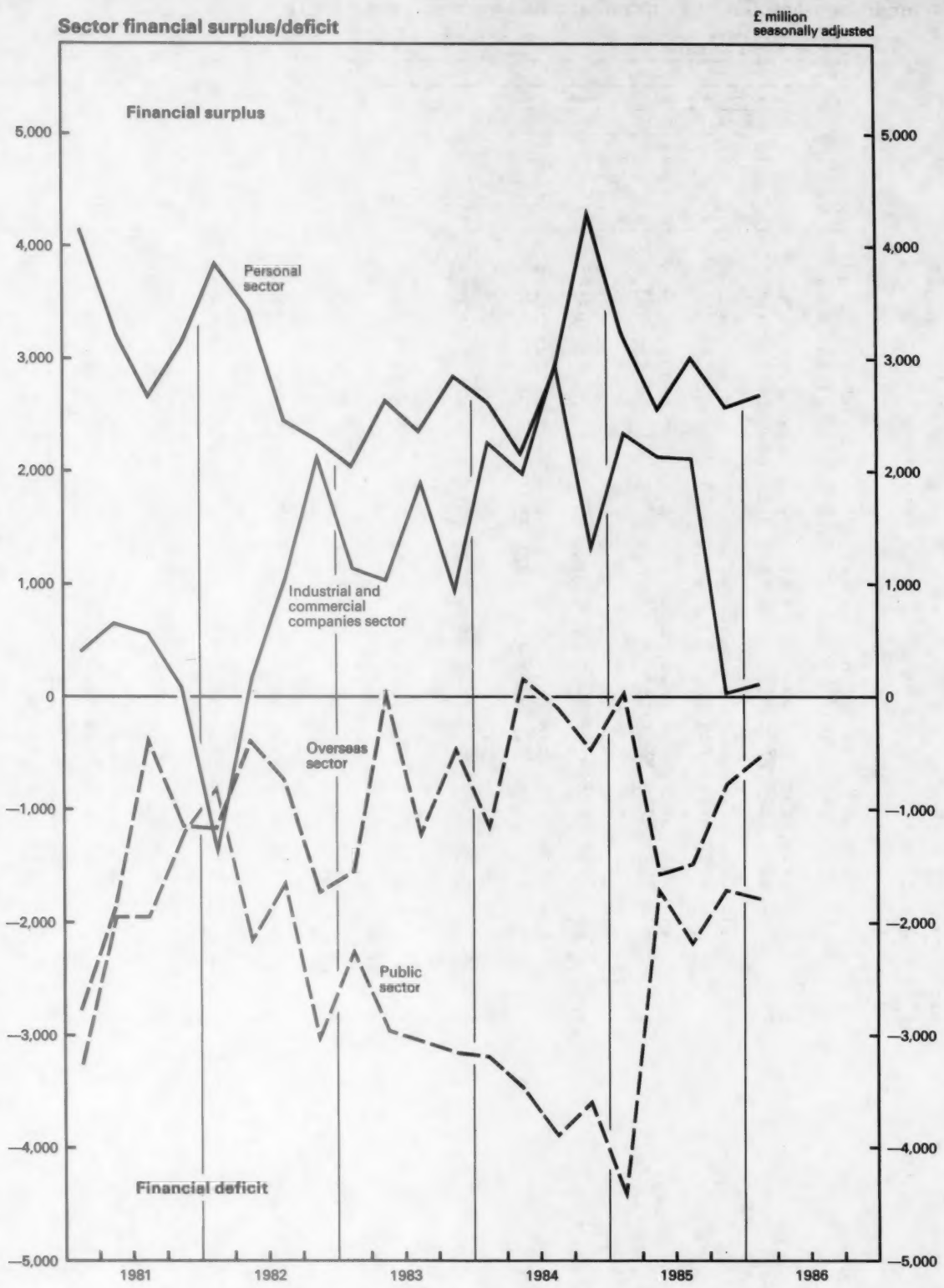
Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

		Public sector(1)			Financial companies and institutions			Industrial and commercial companies		
		Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Savings(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)
		FQAA	FQAB	FQAC	AAAM	AAAN	GGCR	AAAQ	AAAR	GGCQ
1981		3 836†	-448	11 708	4 818	-399	5 361	18 629	641	17 533
1982		5 497	-907	12 181	6 109	-252	5 857	18 648	626	17 350
1983		4 547	-1 555	14 299	6 586	-186	6 233	24 808	489	20 321
1984		1 372	-1 652	13 759	6 857	-215	6 685	31 935	350	23 736
1985		3 347	-532	12 796	9 591	-370	7 830	31 713	392	25 116
		ABKJ	ABKK	ABKL	AAUM	AAUN	GGCX	AAUQ	AAUR	GGCW
1981	4	1 607†	105	2 909	1 627	-295	1 405	4 936	146	5 000
1982	1	2 380	-229	2 927	1 183	-88	1 425	3 307	190	4 905
	2	918	-133	2 939	1 489	-64	1 513	4 603	101	4 543
	3	1 586	-185	3 038	1 818	-55	1 558	4 895	80	3 967
	4	613	-360	3 277	1 619	-45	1 361	5 843	245	3 935
1983	1	1 806	-342	3 675	1 851	-45	1 395	5 689	191	4 736
	2	830	-310	3 452	1 658	-60	1 272	5 448	122	4 558
	3	1 023	-414	3 636	1 583	-44	1 239	7 136	84	5 317
	4	888	-489	3 536	1 494	-37	1 327	6 535	92	5 710
1984	1	714	-532	3 355	1 413	-39	1 427	7 778	80	5 572
	2	185	-420	3 201	1 638	-71	1 629	7 546	95	5 661
	3	144	-388	3 626	1 934	-57	1 767	8 526	99	5 633
	4	329	-312	3 577	1 872	-48	1 862	8 085	76	6 870
1985	1	-705	-274	3 451	2 498	-42	2 525	8 705	117	6 454
	2	1 406	-140	2 932	2 193	-104	1 512	7 893	64	5 828
	3	1 326	-166	3 347	2 249	-115	1 904	8 076	113	6 074
	4	1 320	48	3 066	2 651	-109	1 889	7 039	98	6 760
1986	1	1 253	79	3 118	2 414	-182	2 084	6 581	89	6 532

		Personal sector			Financial Surplus Deficit(4)					
		Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Public sector	Financial companies and institutions	Industrial and comercial companies	Personal sector	Overseas sector(5)	Balancing item(6)
		AAAU	AAAV	GGCP	AABE	AABF	AABG	AABH	AABI	AABJ
1981		23 302	206	10 316	-8 320†	-942	1 737	13 192	-6 226	559†
1982		24 546	533	13 040	-7 591	-	1 924	12 039	-4 032	-2 340
1983		23 766	1 252	15 151	-11 307	1 167	4 976	9 867	-3 163	-1 540
1984		26 820	1 517	16 346	-14 039	-43	8 549	11 991	-1 562	-4 896
1985		28 521	510	17 674	-9 981	1 391	6 989	11 357	-3 763	-5 993
		AAUU	AAUV	GGCV	AAVE	AAVF	AAVG	AAVH	AAVI	AAVJ
1981	4	6 011	44	2 926	-1 197†	-73	82	3 129	-1 147	-794†
1982	1	6 620	127	2 887	-776	-330	-1 408	3 880	-1 173	-173
	2	6 529	96	3 197	-2 154	-88	161	3 428	-390	-857
	3	5 589	150	3 280	-1 637	205	1 018	2 459	-735	-1 310
	4	5 808	160	3 676	-3 024	213	2 153	2 292	-1 734	100
1983	1	5 379	196	3 557	-2 211	411	1 144	2 018	-1 584	202
	2	6 162	248	3 776	-2 932	326	1 012	2 634	62	-1 102
	3	5 878	374	3 863	-3 027	300	1 503	2 369	-1 210	-335
	4	6 347	434	3 935	-3 137	130	917	2 846	-451	-305
1984	1	6 265	491	4 151	-3 173	-53	2 256	2 605	-1 176	-489
	2	5 880	396	4 149	-3 436	-62	1 980	2 127	187	-796
	3	6 572	346	3 985	-3 870	110	2 992	2 933	-97	-2 068
	4	8 103	284	4 061	-3 560	-38	1 291	4 326	-476	-1 543
1985	1	7 392	199	4 380	-4 430	-69	2 368	3 211	58	-1 138
	2	6 770	180	4 411	-1 666	577	2 129	2 539	-1 587	-1 992
	3	7 030	168	4 175	-2 187	230	2 115	3 023	-1 472	-1 709
	4	7 329	-37	4 708	-1 698	653	377	2 584	-762	-1 154
1986	1	7 383	14	4 705	-1 788	168	136	2 692	-528	-684

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving plus capital transfers less gross domestic fixed capital formation, less increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, plus capital transfers.
6 For periods when the sector current and capital accounts are fully articulated it is equal to the residual error in the national accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
−5,000
1981
1982
1983
1984
1985
1986

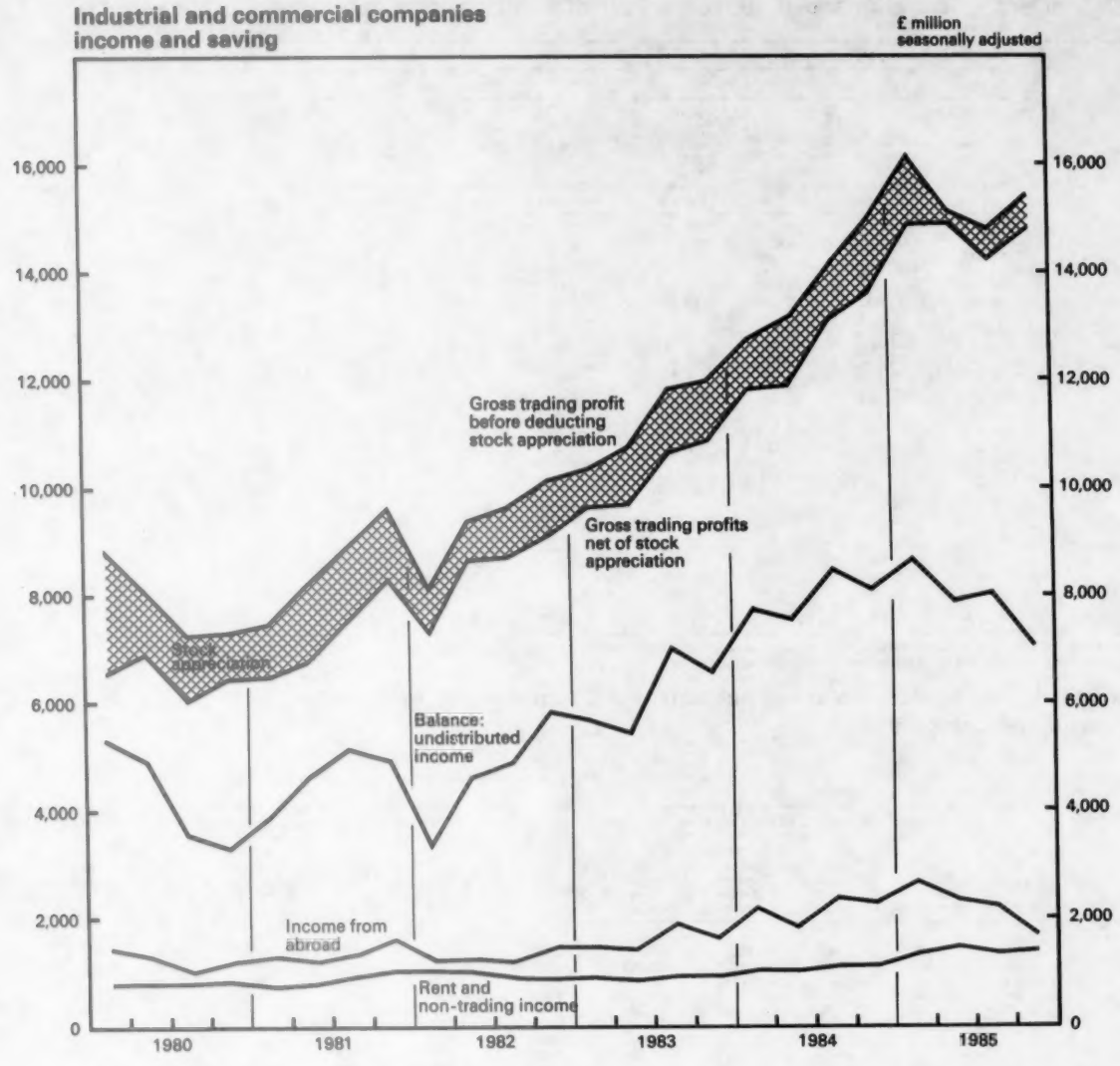
Appropriation account of industrial and commercial companies(1)

£ million, seasonally adjusted

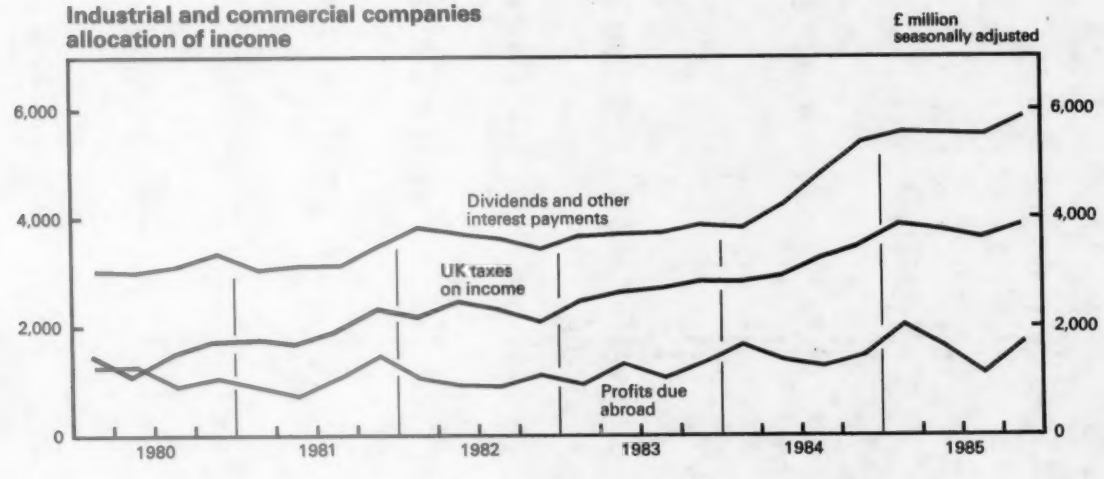
		Income								Allocation of income				Balance	
			Income arising in the United Kingdom							Dividends, interest and other transfer payments					
			Gross trading profits												
			Net of stock appreciation				Before deducting stock appreciation								
		Total income	Total(2)	N. Sea oil companies	Other companies	Stock appreciation		Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Dividends on ordinary shares(3)	Other (3,4)	Profits due abroad (net of UK tax)	UK taxes on income: payments (5)	Undistributed income (6)	Undistributed income adjusted for unrealised profits (6,7)
		AIAA	AIAB	CIDR	CIDS	AIAC	AIAD	AIAE	AIAF	AIAH	AIAI	AIAJ	AIAL	AAAQ	AIAM
1975		16 212†	8 564	-50	8 614	4 504	13 068	1 304†	1 840	1 329	3 387	422	1 743	9 331†	8 708†
1976		20 675	10 801	527	10 274	5 587	16 388	1 631	2 656	1 532	3 902	724	1 500	13 017	11 890
1977		25 664	17 381	1 971	15 410	4 118	21 499	1 602	2 583	1 749	4 037	1 729	2 492	15 877	15 742
1978		29 446	21 134	2 614	18 520	3 443	24 577	1 885	2 984	1 929	4 458	1 980	3 237	17 842	17 804
1979		39 102	23 488	5 249	18 239	7 399	30 887	2 547	5 668	3 364	6 359	3 711	4 240	21 428	22 377
1980		40 015	26 045	8 057	17 988	5 522	31 567	3 395	5 053	3 260	9 344	4 424	5 801	17 186	17 945
1981		43 423	29 215	10 866	18 349	5 029	34 244	3 636	5 543	3 225	9 722	4 182	7 665	18 629	18 349
1982		46 569	33 865	12 710	21 145	3 460	37 315	3 970	5 284	3 591	11 124	4 041	9 165	18 648	18 146
1983		55 272	40 831	15 798	25 033	4 118	44 949	3 811	6 512	4 380	10 660†	4 743	10 681	24 806	23 947
1984		68 288	50 482†	19 114	31 368†	4 603	55 085†	4 432	8 771†	5 231†	12 771	5 719†	12 632	31 935	29 675
1985		78 166	58 973	18 407	40 565	2 623†	61 596	5 587	8 983	6 868	15 769	6 623	15 193†	31 713	31 639
		AIAN	AIAO	CIDT	CIDU	AIAP	AIAQ	AIAR	AIAS	AIAU	AIAV	AIAW	AIAY	AAUQ	AIAZ
1978	2	7 343	5 155	648	4 507	980	6 135	453	755	581	1 087	433	786	4 456	4 442
	3	7 758	5 602	637	4 965	892	6 494	500	784	431	1 166	510	851	4 800	4 750
	4	7 523†	5 143	770	4 373	1 016	6 159	550†	814	450	1 320	584	930	4 239†	4 198†
1979	1	8 501	5 178	943	4 235	1 487	6 665	577	1 259	538	1 424	709	969	4 861	4 703
	2	9 751	5 893	1 194	4 699	1 990	7 883	595	1 273	585	1 440	971	1 146	5 609	6 083
	3	10 332	6 124	1 512	4 612	1 987	8 091	657	1 584	702	1 631	1 002	1 088	5 909	6 225
	4	10 518	6 293	1 600	4 693	1 955	8 248	718	1 552	1 539	1 864	1 029	1 037	5 049	5 366
1980	1	11 162	6 597	1 938	4 659	2 246	8 843	831	1 486	825	2 223	1 227	1 498	5 389	5 824
	2	10 310	6 939	1 947	4 992	1 227	8 166	835	1 309	712	2 295	1 273	1 100	4 930	5 066
	3	9 136	6 066	1 980	4 086	1 184	7 249	848	1 039	831	2 320	909	1 496	3 580	3 740
	4	9 407	6 444	2 192	4 252	865	7 309	881	1 217	892	2 506	1 015	1 707	3 287	3 315
1981	1	9 600	6 516	2 458	4 058	957	7 473	782	1 345	816	2 265	902	1 724	3 893	3 750
	2	10 244	6 796	2 651	4 145	1 432	8 228	800	1 216	861	2 275	761	1 698	4 649	4 406
	3	11 270	7 584	2 794	4 790	1 338	8 922	980	1 368	778	2 374	1 064	1 903	5 151	5 148
	4	12 309	8 319	2 963	5 356	1 302	9 621	1 074	1 614	770	2 808	1 455	2 340	4 936	5 045
1982	1	10 406	7 288	2 697	4 591	797	8 085	1 085	1 256	1 047	2 839	1 020	2 193	3 307	3 163
	2	11 713	8 697	2 940	5 757	706	9 403	1 046	1 264	874	2 852	953	2 431	4 603	4 641
	3	11 852	8 733	3 426	5 307	918	9 649	949	1 254	901	2 762	943	2 351	4 895	5 005
	4	12 598	9 137	3 647	5 490	1 041	10 178	910	1 510	769	2 671	1 125	2 190	5 843	5 337
1983	1	12 805	9 618	3 783	5 835	761	10 379	939	1 487	914	2 767†	946	2 489	5 689	5 767
	2	13 139	9 682	3 658	6 024	1 082	10 764	928	1 447	1 104	2 609	1 343	2 635	5 448	5 577
	3	14 715	10 652	4 063	6 589	1 177	11 829	970	1 916	1 189	2 589	1 083	2 718	7 135	7 082
	4	14 613	10 879	4 274	6 605	1 098	11 977	974	1 662	1 173	2 695	1 371	2 839	6 535	5 521
1984	1	16 088	11 842†	4 388	7 454†	945	12 787†	1 074	2 227†	1 071†	2 753	1 656†	2 830	7 778	7 922
	2	16 040	11 876	4 583	7 293	1 273	13 149	1 047	1 844	1 159	2 973	1 388	2 974	7 546	7 052
	3	17 689	13 149	4 793	8 356	981	14 130	1 180	2 399	1 028	3 597	1 234	3 304	8 526	8 061
	4	18 471	13 615	5 350	8 265	1 404	15 019	1 151	2 301	1 973	3 448	1 441	3 524	8 085	6 840
1985	1	20 277	14 917	5 410	9 507	1 275†	16 192	1 384	2 701	1 531	4 095	2 061	3 885†	8 705	9 163
	2	18 942	14 954	4 793	10 161	202	15 156	1 439	2 347	1 586	4 010	1 651	3 802	7 893	7 702
	3	18 412	14 288	3 954	10 314	530	14 788	1 364	2 250	1 656	3 864	1 189	3 627	8 076	7 964
	4	18 535	14 834	4 250	10 584	616	15 450	1 400	1 685	2 095	3 800	1 722	3 878	7 039	6 810
1986	1	17 502	14 235	3 233†	11 002	-285	13 950	1 523	2 029	2 119	3 769	1 213	3 820	6 581	6 494

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax) and petroleum revenue tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



Capital account and financial surplus/deficit of industrial and commercial companies(1)

£ million, seasonally adjusted

		Receipts					Expenditure				
		Total receipts(2)	Undistributed income	Stock appreciation	Undistributed income less stock appreciation	Capital transfers	Total expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Balance: Financial surplus or deficit
		FMBI	AAAQ	AIAC	FMBJ	AIBR	FMBM	AAAS	FMBN	AICB	AABG
1982		15 866	18 648	3 460	15 188	678	13 942†	15 572	-1 662	52	1 924
1983		21 354	24 808	4 118	20 690	664	16 378	16 034	169	175	4 976
1984		27 876	31 935	4 603	27 332	544	19 327	18 999	134	194	8 549
1985		29 848	31 713	2 623†	29 090	558	22 659	22 478	15	166	6 989
		FMBA	AAUQ	AIAP	FMBC	CIDZ	FMBF	AAUS	FMBG	FMBH	AAVG
1982	2	4 030†	4 603†	706	3 897†	133	3 869	3 831	6	32	161†
	3	4 104	4 895	916	3 979	125	3 086	4 030	-979	35	1 018
	4	5 082	5 843	1 041	4 802	280	2 929	3 949	-1 055	35	2 153
1983	1	5 154	5 889	761	4 928	226	4 010†	3 894†	81	35	1 144
	2	4 529	5 448	1 082	4 366	163	3 517	3 901	-425	41	1 012
	3	6 092	7 136	1 177	5 959	133	4 189	3 972	168	49	1 903
	4	5 579	6 535	1 098	5 437	142	4 662	4 267	345	50	917
1984	1	6 966	7 778	945	6 833	133	4 680	4 410	217	53	2 286
	2	6 411	7 546	1 273	6 273	138	4 431	4 671	-283	43	1 980
	3	7 694	8 526	981	7 545	149†	4 702	4 765	-113	50	2 992
	4	6 805	8 085	1 404	6 681	124	5 514	5 153	313	48	1 291
1985	1	7 598	8 705	1 275†	7 430	168	5 230	5 599	-420†	51	2 368
	2	7 800	7 893	202	7 691	109	5 671	5 277	349	45	2 129
	3	7 687	8 076	530	7 546	141	5 572	5 735	-191	28	2 115
	4	6 563	7 039	616	6 423	140	6 186	5 867	277	42	377
1986	1	7 000	6 581	-285	6 866	134	6 862	6 237	580	45	138

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 After deducting stock appreciation but before providing for depreciation.

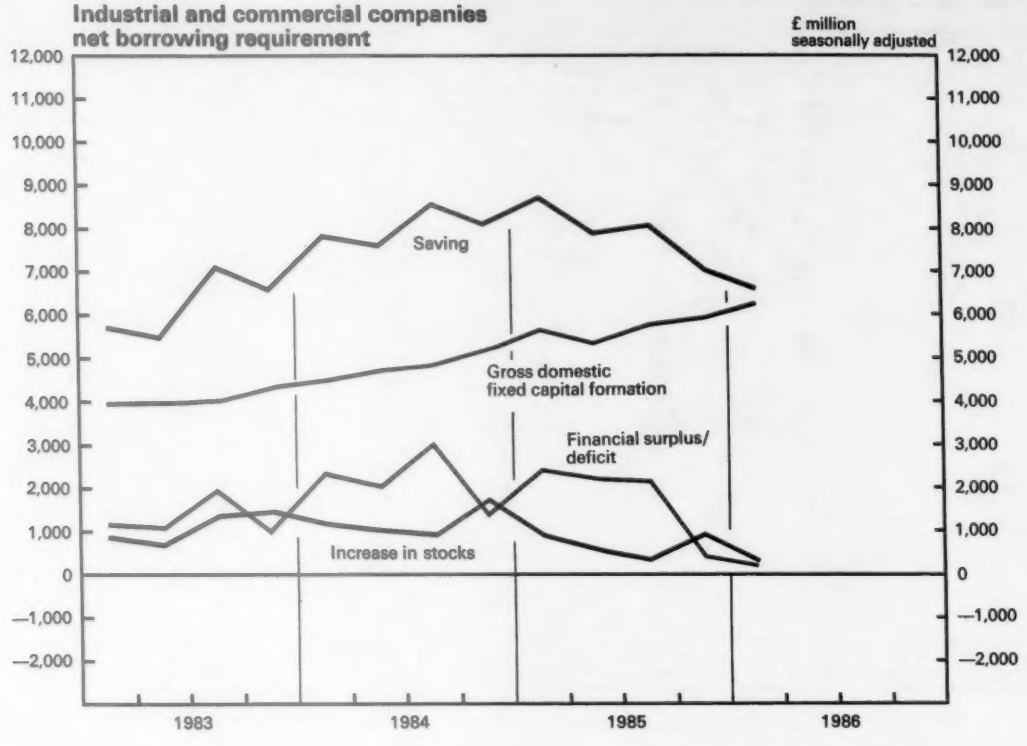
Financial transactions including net borrowing requirement of industrial and commercial companies (1)

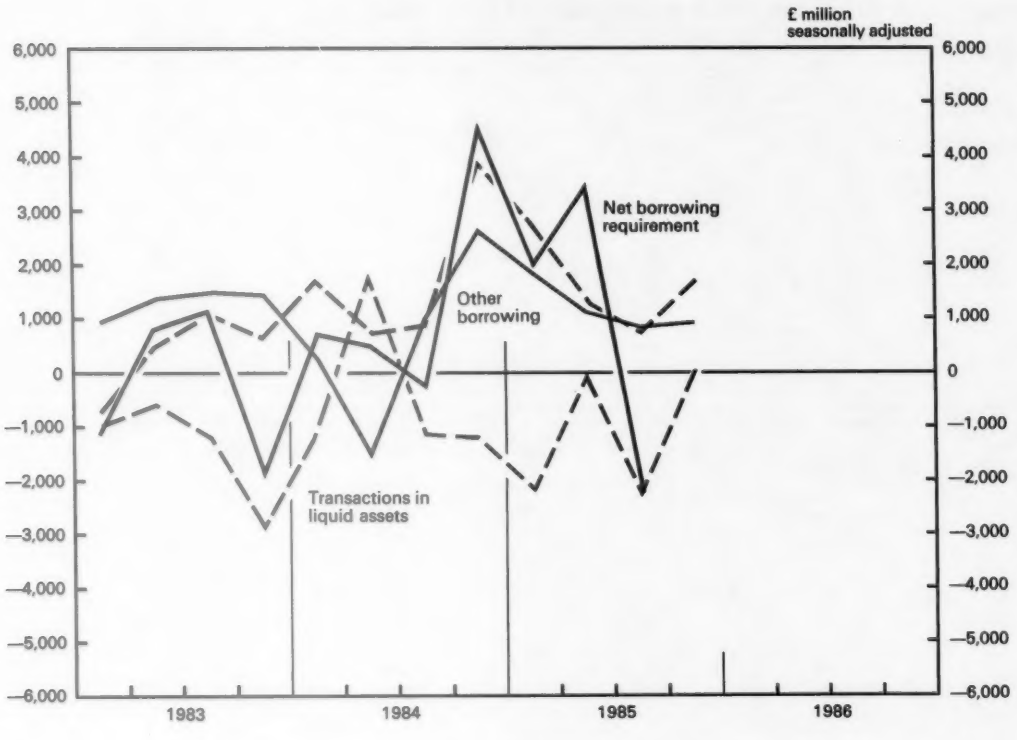
£ million, seasonally adjusted

		Transactions leading to net borrowing requirement					Financing of net borrowing requirement(5)				
		Financial surplus or deficit	Net unremitted profits(2)	Net identified trade and other credit(3)	Investment in UK company securities(4)	Investment abroad	Balancing item	Borrowing from		Financial assets		Net borrowing requirement (NBR)
								Banks(6)	Other	Liquid	Other	
		AABG	AIBP	FMBP	FMBQ	AICP	FMBR	FMBS	AICT	AICU	AICV	AICW
1982		1 924	-502	-1 188	-1 676	-2 752	-1 515†	6 563	3 401†	-2 794	-1 480	5 710†
1983		4 976	-861	101	-1 381	-3 146	1 268	1 618	5 017	-5 857	-1 735	-957
1984		8 549	-2 260†	-472	-3 878	-1 628†	-2 914	7 076	-327	-2 242	-1 904†	2 603
1985		6 989	-74	-350	-4 625	-1 096	-6 305	7 703	3 427	-5 160†	-509	5 461
		AAVG	AICX	ABKP		AIDC	AIDD	AIDF	AIDJ	AIDG		AIDI
1982	2	161†	38	-1 092	-439	-534	-301	1 324	862†	10	-29	2 167†
	3	1 018	110	-13	-474	-733	-451†	1 798	387	-1 031	-811	543
	4	2 153	-506	-494	-374	-717	374	470	820	-743	-983	-436
1983	1	1 144	78	1 159	-228	-1 339†	317	-739	883	-1 023	-252	-1 131
	2	1 012	129	-806	-525	-140	-494	483	1 332	-647	-344	824
	3	1 903	-54	-505	-323	-800	-1 397	1 151	1 419	-1 226	-188	1 176
	4	917	-1 014	253	-305	-867	2 866	723	1 383	-2 985	-971	-1 850
1984	1	2 286	144†	323	-1 330	-748	-1 214	1 625	73	-1 175	16†	539
	2	1 980	-494	-263	-813	118	236	729	-2 886	1 737	-344	-764
	3	2 992	-485	-284	-475	-441	-1 132	846	1 020	-1 183	-898	-215
	4	1 291	-1 445	-258	-1 260	-557	-1 205	3 676	1 466	-1 230	-678	3 434
1985	1	2 368	458	-151	-1 229	-1 515	-1 763	3 131	1 683	-2 311	-671	1 832
	2	2 129	-191	-48	-1 410	441	-3 900	1 359	709	-151	1 052	2 979
	3	2 115	-112	20	-1 093	-5	992	1 257	620	-2 404	-1 387	-1 914
	4	377	-229	-175	-883	-14	-1 634	1 956	415	-290†	487	2 568
1986	1	138	-87	1 041†	-746†	596		2 867	2 366	-2 436		

1 Inflows(+), outflows(-); Relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11
2 Retained in UK (+), retained abroad (-).
3 Includes accruals adjustment.
4 Cash expenditure on subsidiaries and trade investments in the United Kingdom.
5 The NBR seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.
6 Includes Bank of England Issue Department transactions in commercial bills.

Industrial and commercial companies net borrowing requirement





UK banks' lending to UK residents

	£ million, seasonally adjusted(1)					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies	Total	Sterling	Other currencies
Transactions	FPAG	AEBQ	FPAC	FPAJ	AECF	AECL
1981	-538	252	-790	11 638	8 846	2 792
1982	-2 325	-2 273	-52	14 578	12 842	1 736
1983	-1 924	-2 039	115	15 046	13 628	1 418
1984	1 183	892	291	18 384	13 479	4 905
1985	-1 682	-2 090	408	24 576	19 789	4 787
	FPAA	AEBT	AECC	FPAD	AEC1	AECO
1981 1	1 243	1 158	85	183	-444	627
2	-538	223	-761	3 728	3 758	-30
3	247	465	-218	3 754	2 575	1 179
4	-1 223	-1 327	104	3 760	2 744	1 016
1982 1	820	808	12	2 268	1 843	625
2	-924	-920	-4	4 926	4 557	369
3	-119	-130	11	3 276	3 075	201
4	-1 992	-1 921	-71	4 321	3 780	541
1983 1	629	629	-	3 147	3 368	-221
2	-1 721	-1 701	-20	5 253	4 712	541
3	-798	-748	-50	3 345	2 182	1 163
4	-10	-195	185	3 301	3 366	-65
1984 1	1 041	1 077	-36	2 883	1 795	1 098
2	-2 004	-2 047	43	6 355	5 553	802
3	1 464	1 349	115	2 739	1 728	1 011
4	281	112	169	6 397	4 403	1 994
1985 1	-3 499	-3 588	89	12 535	9 319	3 216
2	-1 199	-1 237	38	6 232	4 833	1 399
3	2 359	2 336	23	3 005	3 854	-849
4	657	399	258	2 804	1 783	1 021
1986 1	-227	-224	-3	11 585	9 210	2 375

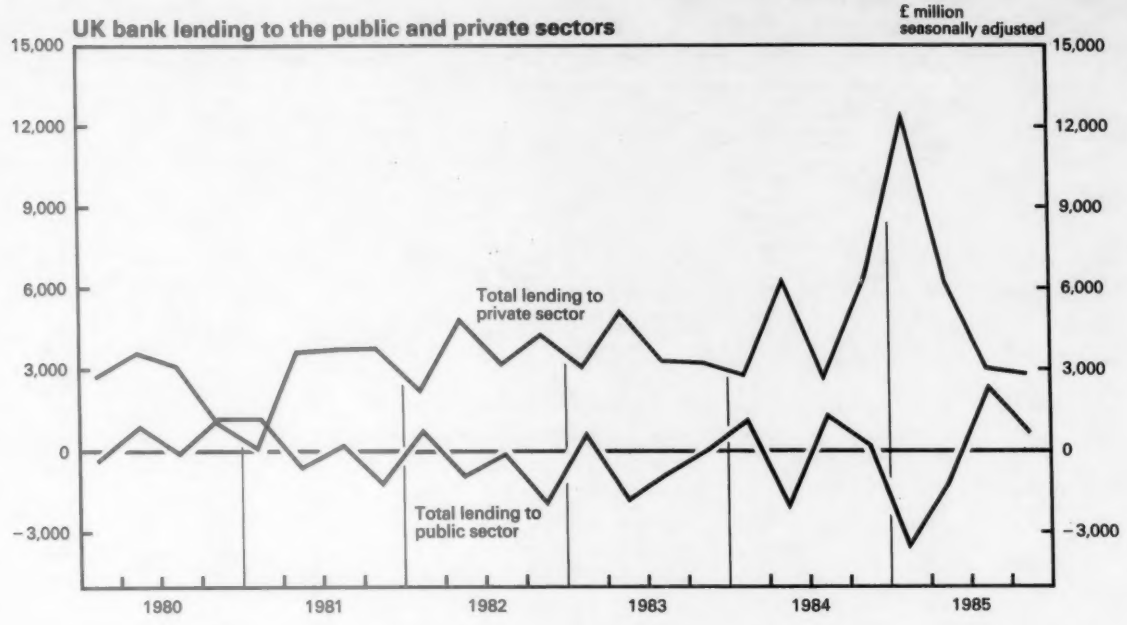
1 The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

UK banks' loans, advances and acceptances to UK residents (1,2)

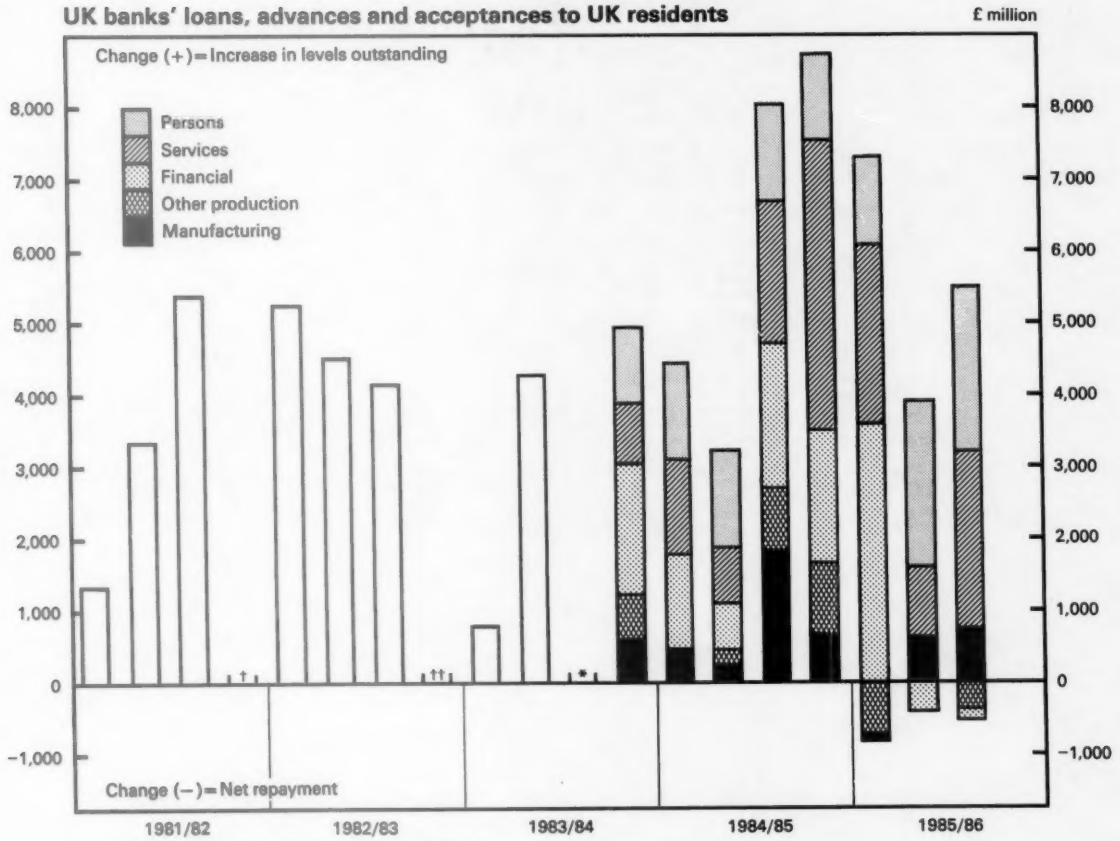
	£ million					
	Total loans, advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (Nov 1985):	188 298	27 422	15 764	33 737	49 925	41 111
Changes	FRAA	FRAB	FRAC	FRAD	FRAE	FRAF
1983						
Nov-Feb	4 931	599	803	1 814	844	1 071
1984						
Feb-May	4 397	443	5	1 313	1 336	1 301
May-Aug	3 201	201	237	656	785	1 322
Aug-Nov	8 011	1 600	903	2 010	1 951	1 344
Nov-Feb	8 728	658	988	1 266	4 610	1 207
1985						
Feb-May	6 476	-155	-675	3 380	2 731	1 215
May-Aug	3 456	610	-4	-538	1 057	2 331
Aug-Nov	4 886	708	-341	-570	2 771	2 319
Nov-Feb	5 158	-47	599	1 368	2 463	784

1 For a more detailed breakdown of these figures see Financial Statistics Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.
2 Due to the introduction of the revised analysis in November 1983, a breakdown is given only for this and later dates and any changes for the August-November 1983 period are not shown.

UK bank lending to the public and private sectors



UK banks' loans, advances and acceptances to UK residents

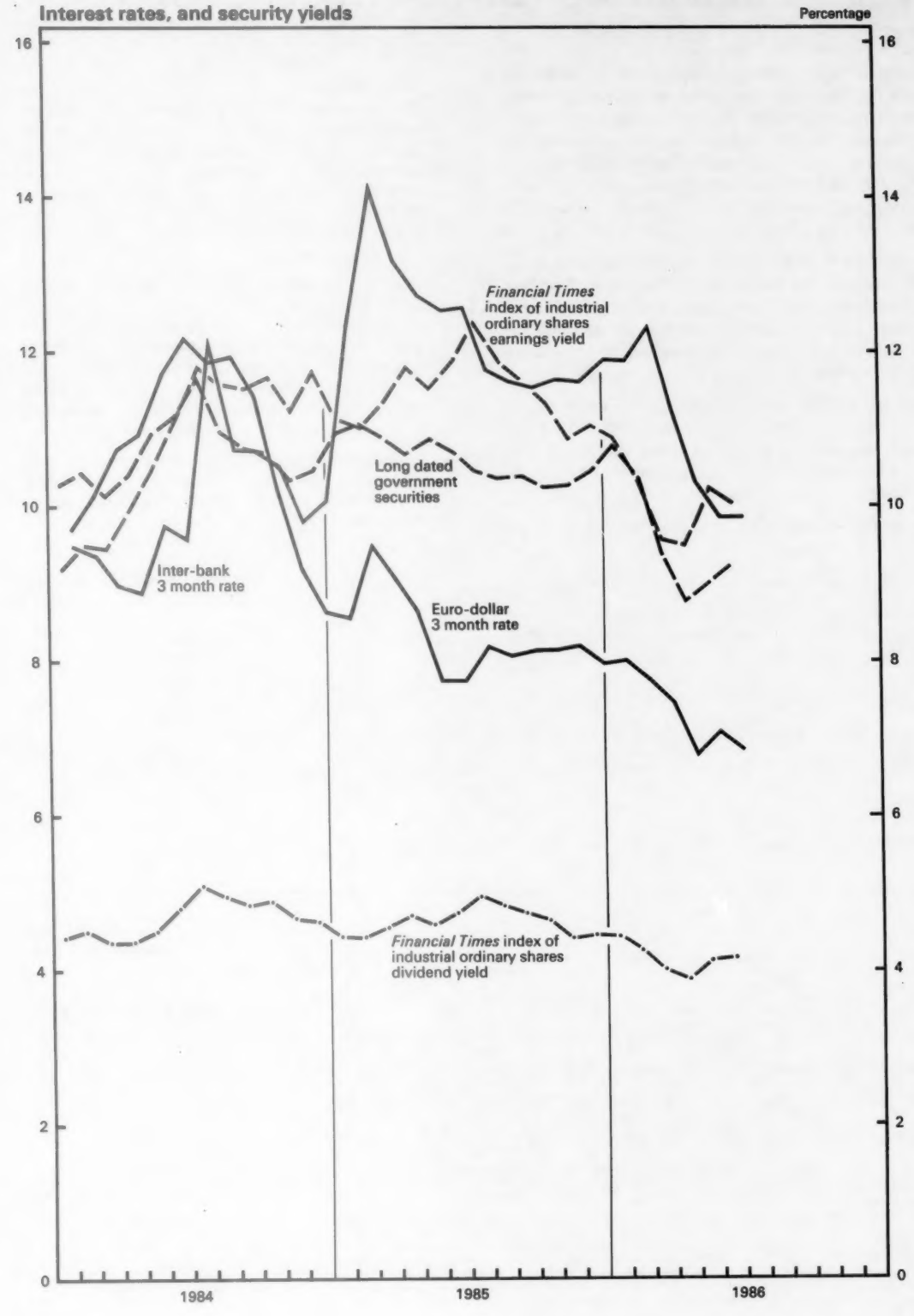


†Due to implementation of the monetary sector, changes for the November 1981 – February 1982 period cannot be calculated.
*See footnote [2] page 64 lower table.
††Changes cannot be calculated for this period due to definition changes.

Interest rates, security prices and yields

	Percentage rate										
	Last Friday						Last working day		Average of working days		
			London clearing banks							Financial Times index of industrial ordinary shares	
										1 July 1935 = 100	
	Treasury bill yield(1)	Deposits with local authorities - 3 months (2)	Base rate	Deposit account: 7 days' notice(3)	Inter-bank - 3 month rate(4)	Sterling certificates of deposit - 3 months	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares(5)	British government securities: long dated(6) - 20 years	Price index	Dividend yield	Earnings yield
1978	11.91	12.38-12.5	12.5	10	12.44-12.63	12.38-12.5	11.69	8	12.47	479.4	5.65	16.47
1979	16.49	16.94-17.5	17	15	16.81-17.06	16.69-16.88	14.5	10.5	12.99	475.5	6.49	16.61
1980	13.58	14.63-14.88	14	11.5 -12	14.75-14.88	14.75-14.88	17.75	10.5	13.79	464.5	7.62	18.14
1981	15.39	15.5 -15.69	14.5	12.25-12.5	15.56-15.75	15.63-15.75	13.75	9.75	14.74	518.5	6.23	12.12
1982	9.96	10.63	10 -10.25	6.75- 7	10.44-10.63	10.19-10.31	9.25	6.25	12.88	574.7	5.29	10.82
1983	9.04	9.31	9	5.5	9.34- 9.41	9.25- 9.31	9.88	7.25	10.80	692.6	4.70	9.58
1984	9.33	10.13	9.5 - 9.75	6 - 6.5	10 -10.13	9.75- 9.88	8.62	6.75	10.69	854.9	4.66	10.76
1985	11.48	11.94	11.5	7.69-8.03	11.81-11.94	11.69-11.81	7.97	7	10.62	1004.6	4.61	11.48
1983 F	11.15	11.44	11	8	11.31-11.5	11.19-11.31	9.19	6.25	11.50	645.5	4.82	10.34
M	10.23	10.75	10.5	7.5	10.69-10.88	10.63-10.75	9.69	6.25	11.02	659.5	4.87	10.25
A	9.92	10.19	10	6.75	10.19-10.31	10 -10.13	8.94	6.25	10.56	685.6	4.60	9.36
M	9.93	10.25	10	6.75	10.25-10.34	10.13-10.25	9.56	6.25	10.65	690.2	4.58	9.04
J	9.51	9.69	9.5	6	9.75- 9.88	9.63- 9.75	9.81	6.25	10.39	716.6	4.47	8.88
J	9.62	9.88	9.5	6	9.88-10	9.81- 9.88	10.19	7.25	10.95	697.9	4.60	9.12
A	9.56	9.94	9.5	6	9.81- 9.94	9.69- 9.81	10.25	7.25	11.07	724.4	4.62	9.27
S	9.17	9.69	9.5	6	9.56- 9.69	9.44- 9.56	9.56	7.25	10.67	704.3	4.81	9.59
O	9.03	9.31	9	5.5	9.31- 9.38	9.81- 9.25	9.63	7.25	10.61	693.5	4.87	9.67
N	9.06	9.25	9	5.5	9.31- 9.34	9.19- 9.25	9.81	7.25	10.29	724.8	4.69	9.50
D	9.04	9.31	9	5.5	9.34- 9.41	9.25- 9.31	9.88	7.25	10.35	759.5	4.62	9.47
1984 J	9.06	9.38	9	5.5	9.44- 9.5	9.31- 9.38	9.69	7.25	10.28	810.6	4.41	9.15
F	9.05	9.31	9	5.5	9.31- 9.38	9.28- 9.34	10.13	7.25	10.42	814.6	4.50	9.48
M	8.56	8.94	8.5 - 8.75	5.25- 5.5	8.94- 9	8.84- 8.91	10.75	6.25	10.23	866.4	4.34	9.43
A	8.54	8.88	8.5 - 8.75	5.25- 5.5	8.84- 8.91	8.81- 8.88	10.97	6.25	10.40	881.1	4.36	9.93
M	9.19	9.75	9 - 9.25	5.75- 6	9.69- 9.75	9.69- 9.81	11.72	6.25	10.93	870.6	4.49	10.44
J	9.06	9.5	9.25	5.75- 6	9.5 - 9.63	9.31- 9.44	12.19	6.25	11.15	824.5	4.79	11.13
J	11.69	12.13	12	8.75- 9	12.06-12.19	11.88-12	11.88	8.25	11.67	787.6	5.08	11.80
A	10.18	10.75	10.5	7.25- 7.5	10.69-10.75	10.5 -10.63	11.94	7.75	10.98	835.8	4.93	11.57
S	10.24	10.75	10.5	7.25- 7.5	10.63-10.81	10.47-10.53	11.44	7.75	10.78	859.3	4.84	11.51
O	10.13	10.5	10.5	7.25- 7.5	10.5 -10.56	10.25-10.38	10.19	7.75	10.69	865.2	4.89	11.66
N	9.26	9.75	9.5 - 9.75	6 - 6.5	9.75- 9.81	9.56- 9.69	9.19	7.75	10.32	913.2	4.67	11.23
D	9.33	10.13	9.5 - 9.75	6 - 6.5	10 -10.13	9.75- 9.88	8.62	6.75	10.46	929.6	4.62	11.73
1985 J	11.86	12.25	12	8.5 - 9	12.25-12.38	12.06-12.19	8.56	6.75	10.96	977.1	4.42	11.15
F	13.91	14.13	14	11 -11.5	14.06-14.19	13.81-13.84	9.5	7.5	11.07	979.3	4.41	11.01
M	12.75	13.13	13 -13.5	10 -10.5	13.06-13.25	13 -13.13	9.06	7.5	10.90	987.1	4.55	11.32
A	12.27	12.63	12.5 -12.75	9.36- 9.7	12.63-12.81	12.44-12.56	8.62	8.25	10.68	989.0	4.70	11.79
M	12.16	12.50	12.5 -12.75	9.36- 9.7	12.5 -12.56	12.31-12.44	7.75	8.25	10.88	1003.8	4.58	11.52
J	12.33	12.56	12.5	9.03- 9.5	12.56-12.69	12.44-12.56	7.75	8.25	10.70	980.4	4.72	11.83
J	11.30	11.88	12	8.36- 8.75	11.56-11.94	11.69-11.81	8.19	8.25	10.44	935.2	4.96	12.38
A	11.31	11.50	11.5	7.69- 8.03	11.5 -11.69	11.31-11.44	8.06	8.25	10.37	973.6	4.82	11.88
S	11.32	11.38	11.5	7.69- 8.03	11.5- 11.56	11.31-11.44	8.12	7	10.39	1002.8	4.73	11.81
O	11.45	11.50	11.5	7.69-8.03	11.56-11.69	11.38-11.50	8.13	7	10.22	1034.23	4.64	11.35
N	11.33	11.50	11.5	7.69-8.03	11.56-11.63	11.38-11.50	8.19	7	10.27	1089.30	4.40	10.87
D	11.48	11.94	11.5	7.69-8.03	11.81-11.94	11.69-11.81	7.97	7	10.45	1113.88	4.45	11.04
1986 J	12.47	12.75	12.50	8.70-9.03	11.81-11.94	12.69-12.81	8.00	7	10.80	1127.58	4.43	10.89
F	12.21	12.25	12.50	8.70-9.03	12.25-12.38	12.13-12.38	7.75	7	10.40	1220.80	4.27	10.32
M	11.04	11.25	11.50	7.50-8	11.13-11.31	11.19-11.31	7.47	7	9.39	1348.97	4.00	9.55
A	10.09	10.38	10.50	6.30-6.75	10.25-10.38	10.19-10.31	6.78	6	8.76	1391.12	3.87	9.49
M	9.56	9.75	10	6.30-6.75	9.69- 9.94	9.63- 9.75	7.09	6	9.00	1331.60	4.10	10.20
J	9.52	9.75	10	6.30-6.75	9.75- 9.88	9.66- 9.72	6.87	5.25	9.23	1332.13	4.14	10.03

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
2 For a minimum term of 3 months and thereafter at 7 days' notice.
3 Rate paid on deposits of less than £10 000, which was restricted to 9.5% from September 1973 to 28 February 1975.
4 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
5 Net of income tax where this is paid by societies at the agreed composite rate.
6 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see Financial Statistics Explanatory handbook.


Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
Financial Times index of industrial ordinary shares earnings yield
Long dated government securities
Inter-bank 3 month rate
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1984
1985
1986

Cyclical indicators for the UK economy

Recent movements of the indicators

Only a limited amount of new and revised information has become available since last month's assessment was made and the overall interpretation is little different. The decline in the coincident index which started in May 1985 continues to suggest that there has been a weaker underlying rate of economic growth for some twelve months or so; but the two leading indices do not indicate whether this pattern will become established or if the current decline in the coincident index is likely to be only a short term development.

After a slight fallback in May, the longer leading indicator rose in June. The latest rise reflects upward contributions from both interest rates and share prices. These two component series, particularly share prices, wholly account for the growth in the longer leader so far this year with all other available series having a generally negative influence.

Whilst the decline in the shorter leading indicator during the first four months of 1986 appears to be well-established, the downward movement may have halted in May when the effect of the recent high levels of car registrations outweighed the fallback in consumer credit from the high level recorded in April.

The coincident index has continued to fall away in recent months.

The lagging index remains fairly flat in the latest period.

The occurrence of a peak in economic activity would not necessarily imply a subsequent fall in the level of activity, but rather a reduction in the underlying rate of growth.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of simpler amplitude, and inversion where appropriate.

Information included in the table below is based on monthly and quarterly data available to 15 July.

Precise details on data availability for each of the component series used in the compilation of the indicators is shown in a table on page 70.

Recent movements of the indicators

Jan 1980=100

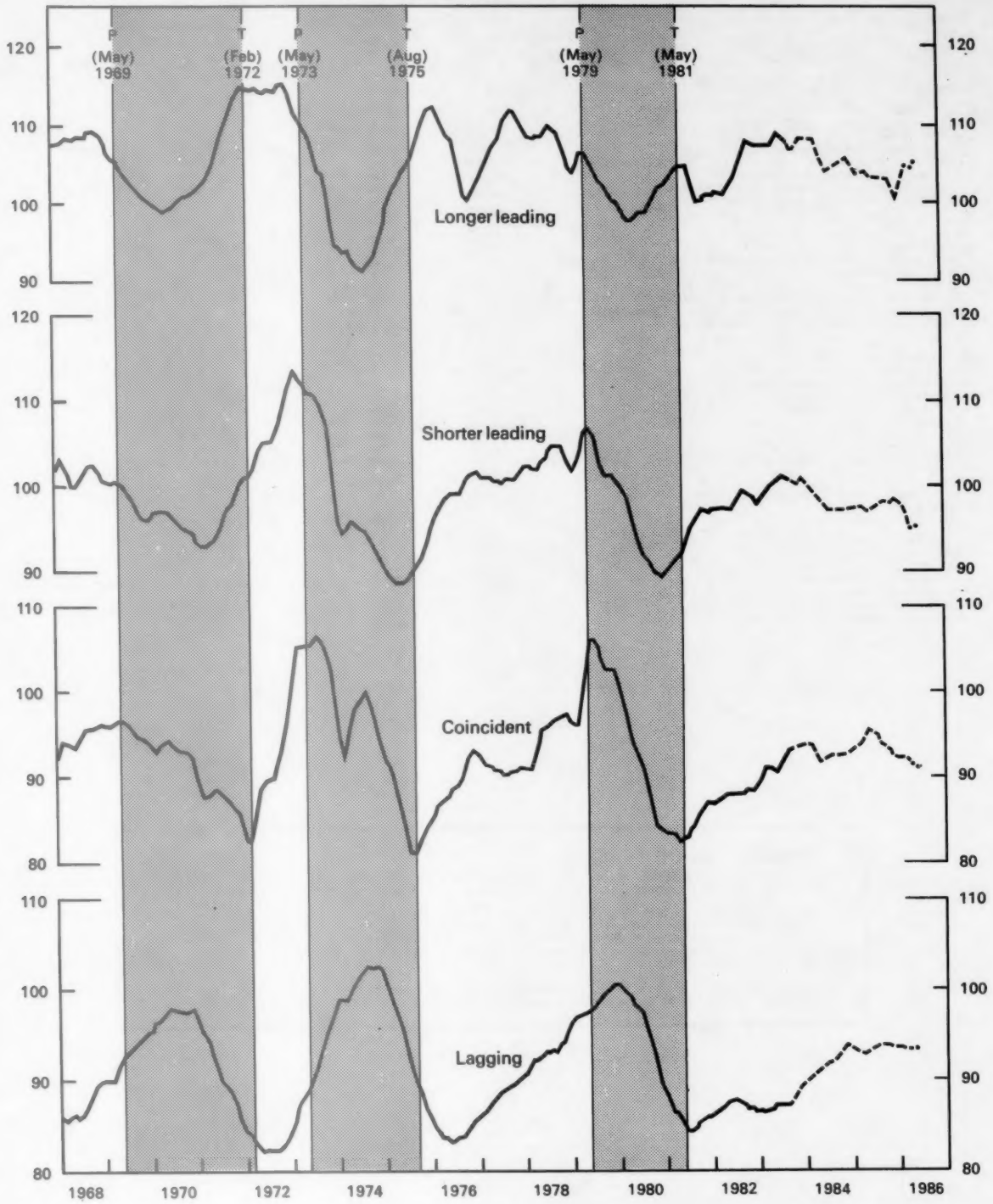
	Most recent values January 1980=100													Lead (-) or lag (+) in months relative to reference cycle dates		
	1985							1986								
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Mean	Earliest	Latest
Longer leading ..	103.5 5	103.2 4	103.3 4	103.2 5	103.1 5	102.9 5	101.8 5	100.8 5	101.7 5	103.7 5	104.7 4	104.5 3	105.0 2	-12	-21	-5
Shorter leading ..	97.2 5	97.4 5	97.8 5	98.1 5	98.0 5	98.0 5	98.4 5	98.0 5	97.6 5	96.7 5	94.9 4	95.1 2		-5	-12	0
Coincident	95.2 7	94.8 7	94.0 7	93.6 7	93.3 7	92.6 7	92.3 7	92.2 7	92.2 7	92.0 7	91.4 4	91.2 2		0	-7	+5
Lagging	93.6 5	93.7 5	93.8 5	93.8 5	93.6 5	93.5 5	93.6 5	93.4 5	93.4 5	93.1 5	93.3 2			+10	+1	+17

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend- elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to- month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend- elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7061.

Cyclical indicators

Composite indices of indicator groups. January 1980 = 100



The indicators: Their timing characteristics and data availability

Indicators	Latest data included	Timing relative to reference cycle dates (1) (-) leads, (+) lags months: Average (mean)	Earliest	Latest
Longer leading				
Composite longer leading index	June 1986	-12	-21	- 5
Component series:				
Rate of interest, 3 months prime bank bills (2)	June 1986	-17	-28	-11
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator	1986 Q1	-15	-21	- 9
Total dwellings started, Great Britain	May 1986	-10	-25	+ 5
Financial Times - Actuaries 500 share index (2,3)	June 1986	- 9	-20	- 4
CBI quarterly survey: change in optimism (2)	Apr 1986	-10	-19	- 4
Shorter leading				
Composite shorter leading index	May 1986	- 5	-12	0
Component series:				
Credit extended by finance houses, retailers and other credit grantors	May 1986	- 6	-15	+ 3
New car registrations	May 1986	- 7	-26	0
CBI quarterly survey: change in new orders (2)	Apr 1986	- 8	-28	+ 2
CBI quarterly survey: expected change in stocks of materials (2)	Apr 1986	- 5	-15	- 2
Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator	1986 Q1	- 6	-18	0
Roughly coincident				
Composite coincident index	May 1986	0	- 7	+ 5
Component series:				
Gross domestic product (expenditure)	1986 Q1	+ 1	- 9	+10
Gross domestic product (output)	1986 Q1	- 2	- 7	+ 1
Gross domestic product (income)	1986 Q1	+ 1	- 3	+ 5
Volume of retail sales	May 1986	- 3	-15	+ 6
Output of the production industries	May 1986	- 1	- 4	+ 2
CBI quarterly survey: capacity utilisation	Apr 1986	+ 2	- 3	+ 7
CBI quarterly survey: change in stocks of materials	Apr 1986	- 1	- 6	+ 8
Lagging				
Composite lagging index	Apr 1986	+10	+ 1	+17
Component series:				
Unemployment index (3)	May 1986	+ 8	- 1	+14
Total employment in manufacturing industries United Kingdom	Apr 1986	+ 8	- 1	+15
Investment in plant and machinery, manufacturing industry	1986 Q1	+11	+ 6	+18
Engineering industries, volume index for orders on hand	Mar 1986	+ 7	- 4	+15
Level of stocks and work in progress, manufacturing industry	1986 Q1	+11	0	+20

1 Assessed on performance up to last identified trough, May 1981.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.

HOW TO FIND THE FIGURES

Earnings, betting and gaming, travel, population projections and estimates, retailing trade, education in schools, universities - do you know where to get the essential facts and figures?

Government Statistics - a brief guide to sources is a free booklet listing the most important, regular publications containing official statistics. It also gives departmental contact points for statistical information including addresses and telephone numbers of the enquiry points at the Central Statistical Office, the Statistics and Market Intelligence Library and the Business Statistics Office.

For the 1986 Edition write to the Information Services Division, Room 58/G, Government Offices, Great George Street, London, SW1P 3AQ, enclosing a stamped addressed envelope.

Measures of variability of selected economic series (1)

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1970 to 2nd quarter 1985	1.4	1.0	0.9	1.0	2	0.4
Income based	6	1st quarter 1970 to 2nd quarter 1985	1.2	0.7	0.9	0.8	1	0.8
Output based	6,28	1st quarter 1970 to 2nd quarter 1985	1.0	0.6	0.8	0.7	1	0.7
Average estimate	6	1st quarter 1970 to 2nd quarter 1985	1.0	0.6	0.8	0.8	1	0.8
Consumers' expenditure	8,10	1st quarter 1970 to 2nd quarter 1985	1.1	0.7	0.8	0.8	1	0.8
Fixed capital formation								
Total	8,16	1st quarter 1970 to 2nd quarter 1985	2.3	1.8	1.4	1.3	2	0.5
Manufacturing industry	16	1st quarter 1970 to 2nd quarter 1985	3.4	1.7	2.6	0.6	1	0.6
Stockbuilding(2)								
Total	8,22	1st quarter 1970 to 2nd quarter 1985	406.4	264.9	257.2	1.0	2	0.5
Manufacturing	22	1st quarter 1970 to 2nd quarter 1985	280.2	189.9	169.5	1.1	2	0.5
Exports: goods and services	8	1st quarter 1970 to 2nd quarter 1985	3.0	2.3	1.7	1.3	2	0.6
Imports: goods and services	8	1st quarter 1970 to 2nd quarter 1985	3.2	2.3	2.2	1.1	2	0.4
Real personal disposable income	10	1st quarter 1970 to 2nd quarter 1985	1.8	1.3	1.2	1.1	2	0.4
Other national income series								
Gross trading profits of industrial and commercial companies	60	1st quarter 1970 to 2nd quarter 1985	6.3	3.0	4.8	0.6	1	0.6
Other quarterly series								
Construction output(3)	30	1st quarter 1970 to 2nd quarter 1985	2.1	1.3	1.4	1.0	1	1.0
Public sector borrowing requirement(4)	56	1st quarter 1970 to 2nd quarter 1985	739.8	505.3	376.3	1.3	2	0.7
Personal saving ratio(5)	10	1st quarter 1970 to 2nd quarter 1985	1.5	1.2	0.7	1.8	2	0.6
Monthly series								
Retail sales								
Food retailers	12	January 1971 to December 1985	0.9	0.8	0.3	2.9	4	0.7
Mixed retail businesses	12	January 1971 to December 1985	2.0	1.9	0.5	3.7	5	0.7
Clothing and footwear retailers	12	January 1971 to December 1985	2.5	2.4	0.5	4.5	5	0.8
Household goods retailers	12	January 1971 to December 1985	2.5	2.4	0.7	3.2	4	0.9
Other non-food retailers	12	January 1971 to December 1985	1.4	1.3	0.4	3.2	4	1.0
Cars: new registrations	12	January 1975 to December 1985	9.5	9.4	0.9	10.9	6	
Housing: public authorities(6)								
Starts	20	January 1956 to December 1985	12.8	12.5	2.0	6.3	6	1.1
Completions	20	January 1956 to December 1985	8.5	8.4	1.4	6.2	6	1.1
Housing: private								
Starts	20	January 1956 to December 1985	9.6	9.4	1.8	5.2	6	1.0
Completions	20	January 1956 to December 1985	6.2	6.2	0.9	6.6	6	1.1
Index of industrial production:								
Production industries(Revised definition)	5,26,28	January 1973 to May 1986	1.2	1.0	0.5	2.2	3	0.9
Manufacturing industries(Revised definition)	26,28	January 1973 to May 1986	1.3	1.2	0.4	2.7	4	0.8
Passenger car production:								
Home market	32	January 1976 to December 1985	12.4	12.0	1.8	6.6	6	1.4
Export	32	January 1976 to December 1985	15.1	14.5	2.7	5.3	6	1.1
Commercial vehicle production:								
Home market	32	January 1976 to December 1985	10.6	9.3	3.1	3.0	4	0.8
Export	32	January 1976 to December 1985	10.2	9.3	2.8	3.3	5	0.8
Unemployed males - excluding school-leavers(7)	(5,36)	January 1971 to October 1985	15.9	4.4	14.9	0.3	1	0.3
Unemployed females - excluding school-leavers(7)	(5,36)	January 1971 to October 1985	6.0	1.7	5.7	0.3	1	0.3
Vacancies unfilled at jobcentres (7)	(5,36)	April 1978 to September 1985	4.2	1.9	3.5	0.5	1	0.5
Average earnings: whole economy	40	January 1976 to December 1982	1.0	0.3	1.0	0.3	1	0.3
Exports: value, f.o.b.(8)	48	January 1970 to September 1985	4.6	4.3	1.5	2.9	3	0.9
Imports: value, f.o.b.(8)	48	January 1970 to September 1985	4.8	4.4	1.8	2.5	3	0.8
Money stock - £M3(9)	5,52	January 1980 to March 1985	1.2	0.8	1.1	0.7	1	0.7

1 For a complete description of these measures see article 'Measuring variability in economic time series' in Economic Trends, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
I is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes (2,4,6 and 8).
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters)for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are on average, greater than the irregular movement.
2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.
3 Series relates to Great Britain.
4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.
5 The figures in the table were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.
6 Series relate to Great Britain, though variability measures calculated from England and Wales component.
7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of Employment Gazette.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.
8 The figures have been updated as described in an article in Economic Trends, No 320, June 1980.
9 Although £M3 flows are seasonally adjusted additively, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for levels are presented as percentages of the level of the trend in the preceding month.

NATIONAL INCOME AND EXPENDITURE IN THE FIRST QUARTER 1986

This article presents quarterly estimates of national income and expenditure up to the first quarter of 1986. Estimates of the components of GDP at constant prices are given here in terms of average 1980 prices.

Provisional summary measures of GDP were first issued on 20 June 1986.

A general description of national income statistics, together with details of sources, methods and definitions used, is given in *United Kingdom National Accounts: Sources and Methods* (HMSO 1985). Subsequent changes are described in the notes to the 1985 edition of the *United Kingdom National Accounts* (The CSO Blue Book). All commentary is in terms of seasonally adjusted data.

Gross domestic product at current and constant prices

Provisional estimates of gross domestic product (GDP) at constant factor cost for the first quarter of 1986 suggest that the level of economic activity was about ½ per cent higher than in the fourth quarter of 1985.

The first quarter estimate for the average measure of GDP was 2½ per cent higher than in the corresponding quarter of 1985, which implies an increase of around 1½ per cent if broad allowance is made for the effect of the coal dispute in the earlier period. (First estimates of growth rates are liable to be revised in the light of further information. See Notes for guidance on the likely range of revisions.)

Provisional estimates for the three broadly independent measures of GDP at constant factor cost (based on expenditure, income and output) show somewhat differing profiles. The output-based measure is usually considered the most reliable indicator of change in the short term; this indicates only modest growth between the fourth quarter of 1985 and first quarter of 1986.

The average measure of GDP at current market prices, ('money GDP') rose by around 1 per cent between the fourth quarter of 1985 and the first quarter of 1986 to a level nearly 8½ per cent higher than in the first quarter of 1985. (The annual comparison, of course, reflects the effect of the coal dispute which had reduced GDP in the earlier period.)

The real income of the United Kingdom, as shown by gross national disposable income at constant market prices, increased by nearly 4 per cent between the first quarters of 1985 and 1986.

TABLE A

NATIONAL ACCOUNTS AGGREGATES

INDEX NUMBERS: SEASONALLY ADJUSTED[1]

1980 = 100

		Gross domestic product							Gross national disposable income at 1980 market prices	Implied gross domestic product deflator	
		At current market prices	At current factor cost		At constant factor cost 1980 prices					At factor cost	At market prices
		Average estimate	Based on expenditure data	Based on income data	Average estimate	Based on expenditure data	Based on income data[2]	Based on output data	Average estimate	Based on expenditure data[3]	Based on expenditure data
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		110.0	109.2	108.9	98.6	98.9	98.5	98.3	99.3	110.5	111.8
1982		120.3	118.1	119.2	100.4	100.1	101.0	100.1	101.0	118.0	120.0
1983		130.6	129.5	130.2	103.7	103.8	104.3	103.1	104.7	124.8	126.1
1984		139.6	137.8	140.1	106.4	105.5	107.3	106.4	107.5	130.5	131.2
1985		152.8	150.5	153.4	110.0	108.8	110.9	110.2	110.8	138.3	139.1
1983	1	127.8	127.1	126.6	102.9	103.6	103.2	101.7	104.4	122.6	124.4
	2	128.0	126.4	128.5	102.8	102.3	104.0	102.1	102.6	123.5	124.7
	3	132.0	131.0	131.6	104.3	104.3	104.7	103.8	106.0	125.7	126.8
	4	134.8	133.5	134.0	105.0	104.8	105.2	105.0	106.0	127.4	128.5
1984	1	137.0	136.0	136.8	105.8	105.6	106.3	105.6	107.1	128.8	129.5
	2	137.3	136.1	137.6	105.4	104.7	105.9	105.6	106.2	130.0	130.2
	3	140.3	137.6	141.6	106.8	105.3	108.4	106.7	107.4	130.7	131.6
	4	143.7	141.4	144.4	107.7	106.6	108.9	107.5	109.3	132.7	133.4
1985	1	147.8	146.5	148.6	108.7	107.7	109.3	109.1	108.6	135.9	135.9
	2	151.4	149.0	152.9	110.4	109.1	111.9	110.2	110.9	136.6	137.4
	3	153.9	151.1	154.4	110.1	108.8	111.1	110.4	111.7	138.9	139.8
	4	158.4	155.5	157.7	110.6	109.6	111.1	111.2	111.9	141.9	143.1
1986	1	160.2	158.4	159.7	111.4	110.9	111.8	111.4	112.7	142.9	143.8
		Percentage change, latest quarter on previous quarter[4]									
1986	1	1.1	1.8	1.3	0.7	1.2	0.6	0.2	0.7	0.6	0.5
		Percentage change, latest quarter on corresponding quarter of previous year[4]									
1986	1	8.4	8.1	7.5	2.5	2.9	2.3	2.1	3.8	5.1	5.7

1 These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Income data deflated by the implied GDP deflator at factor cost.
3 Also known as the index of total home costs.
4 These estimates of change cannot be regarded as any more accurate than is implied by the general statements made in the text, where figures are given in rounded form. This is because of the provisional nature of the estimates from which the figures are derived.

The increase compared with a year earlier in the implied factor cost GDP deflator, 'index of total home costs', was some 5 per cent in the first quarter of 1986.

Estimates of GDP at current and constant prices, of real national disposable income and of the implied GDP deflators are given in index number form in Table A.

Expenditure at current and constant 1980 prices (Table 1)
At current prices, the expenditure measure of gross domestic product at factor cost, GDP(E), rose 2 per cent in the first quarter of 1986 to a level slightly over 8 per cent higher than a year earlier.

At constant 1980 prices, the provisional figures suggest a rise of a little over 1 per cent between the fourth quarter of 1985 and first quarter of 1986, and a growth of 3 per cent compared with the first quarter of 1985. Making broad allowance for the effect of the coal dispute on the earlier period suggests an increase of 1½ to 2 per cent between the first quarters of 1985 and 1986.

At constant prices, consumers' expenditure increased by a little under 1 per cent in the first quarter of 1986 to reach a level some 4½ per cent above the level of a year earlier. Further details are given below. General government final expenditure in the first quarter was 1 per cent higher compared with the fourth quarter of 1985 and less than 1 per cent higher compared with the first quarter of 1985. Fixed investment was increased in both the first quarters of 1985 and 1986 by expenditure brought forward ahead of phased reductions in first year capital allowances. The impact of this on expenditure appears to have been much less in the first quarter of 1986 than 1985. Stockbuilding continued into the first quarter of 1986 at much the same rate as in the previous quarter. The surplus on overseas trade in goods and services fell back some £200 million in the first quarter from that recorded in the fourth quarter with some downturn in exports of services and non-oil goods offsetting an increased surplus on trade in oil.

Income at current prices (Table 2)
At current prices, the income measure of gross domestic product at factor cost, GDP(I), shows a growth of 7½ per cent between the first quarters of 1985 and 1986. Income from employment in the first quarter increased by 8½ per cent compared with the first quarter of 1985. The gross trading surpluses of public corporations in the first quarter improved slightly on the level in the previous quarter. (Comparison with the first quarter of 1985 is of course affected by the coal dispute.) Company profits, before deduction of stock appreciation, fell by 12 per cent in total between the fourth quarter of 1985 and first quarter of 1986, largely owing to the fall in oil prices. In the first quarter, total company profits were 18 per cent lower than a year earlier. However, both these comparisons are affected by the amount of stock appreciation (or depreciation at times of falling prices) included in total company profits. For example, because of changes in oil and other commodity prices, stock holdings depreciated by around £½ billion between the end of the fourth quarter of 1985 and the end of the first quarter of 1986. Company profits net of stock appreciation are discussed below.

When deflated by the implied index of total home costs, GDP(I) rose by ½ per cent between fourth quarter of 1985 and first quarter of 1986 and by some 2½ per cent between the first quarters of 1985 and 1986. Again, this latter comparison is affected by the coal dispute.

Output at constant 1980 prices (Table 3)
The output measure of gross domestic product at constant factor cost, GDP(O), increased slightly between the fourth quarter of 1985 and the first quarter of 1986. After adjusting for the effect of the miners' dispute, GDP(O) increased by about 1 per cent between the first quarters of 1985 and 1986.

Energy and water supply increased by 4½ per cent between the fourth and first quarters but manufacturing output fell by 1 per cent. Output of the construction industry was 3½ per cent below its fourth quarter level. Output of the service industries as a whole increased by about ½ per cent between the fourth and first quarters. Distribution output was broadly unchanged but most other service industries continued to show some growth.

Personal income and saving (Table 4)
Real personal disposable income (RPDI) in the first quarter of 1986 was about ½ per cent above its level in the previous quarter and 3½ per cent higher than its level in the first quarter of 1985. Percentage changes in the components of personal income are shown in Table B.

The increase in total wages and salaries between the fourth quarter of 1985 and the first quarter of 1986 was around 2 per cent, a continuation of the recent trend. In the year to the first quarter, total wages and salaries rose by 8½ per cent, or 8 per cent if broad allowance is made for the effect of the coal dispute in the first quarter of last year.

Personal disposable income increased by more than 1½ per cent between the fourth quarter of 1985 and the first quarter of 1986. Prices (as measured by the consumers' expenditure deflator) rose by around 1 per cent with the result that RPDI grew by just over ½ per cent.

The saving ratio has been broadly unchanged at 11½ to 12 per cent since the second quarter of 1985.

Consumers' expenditure (Table 5)
At current prices consumers' expenditure grew by nearly 2 per cent between the fourth quarter of 1985 and first quarter of 1986, and by 9½ per cent over the year (see Table 1).

The rise of just under 1 per cent in consumers' expenditure at constant prices since the fourth quarter of 1985 took spending to a level 4½ per cent higher than in the first quarter of 1985.

Within the total, expenditure on durable goods showed a rise of nearly 7 per cent between the first quarters of 1985 and 1986. The growth occurred in expenditure on most durable goods other than furniture and floor coverings. Spending on food rose 4 per cent between the first quarters of 1985 and 1986 while expenditure on tobacco continued its downward course. Spending on beer also fell over the same period though expenditure on other alcoholic drink rose 2 per cent. Among other goods, spending on clothing increased by some 6 per cent between the first quarters of 1985 and 1986 although that on footwear barely changed. There was a similar growth in expenditure on energy products.

Industrial and commercial companies (Table 7)
Provisional estimates suggest there was a 4 per cent fall in profits (net of stock appreciation) of UK industrial and commercial companies between the fourth quarter of 1985 and the first quarter of 1986. A rise of 4 per cent in profits of non-North Sea industrial and commercial companies was more than offset by a 24 per cent

TABLE B

CHANGES IN PERSONAL INCOME

Seasonally adjusted

	Percentage change				
	Over previous quarter				Over same quarter in previous year
	1985			1986	1986
	Q2	Q3	Q4	Q1	Q1
Total personal income	1 ½	2 ½	2 ½	2	8 ½
of which: Wages, salaries and forces' pay	2	2 ½	1 ½	2	8 ½
Employers' contributions	2 ½	2	2	2	8 ½
Current grants from general government	2	3	1	1 ½	8
Other income	- 1 ½	3 ½	6	½	9
UK taxes on income	3 ½	5	1 ½	1 ½	11 ½
National insurance contributions	3	1 ½	½	2	7
Total personal disposable income	1	2 ½	3	1 ½	8
Real personal disposable income	½	1 ½	1	½	3 ½

fall in North Sea oil company profits. Profits of North Sea oil companies in the first quarter of 1986 were 40 per cent below their peak level of a year earlier. Over this period profits of other industrial and commercial companies rose by 16 per cent.

Stock appreciation was negative in the first quarter of 1986, largely reflecting the fall in oil prices. Before deducting stock appreciation, the fall in industrial and commercial company profits between the fourth quarter of 1985 and the first quarter of 1986 was about 10 per cent. This fall in profits, together with a rise in rent and non-trading income and some recovery from the exceptionally low fourth quarter 1985 level of income from abroad, resulted in a 6 per cent decrease in total appropriation account income of industrial and commercial companies. Compared with a year earlier, total appropriation account income in the first quarter of 1986 was down by 14 per cent.

Allocations of appropriation account income also fell in the first quarter of 1986. Profits due abroad fell sharply, whilst payments of dividends and interest and of taxes were little changed from their fourth quarter 1985 levels.

These preliminary estimates suggest a reduction of £½ billion (7 per cent) between the latest two quarters in the undistributed income of UK industrial and commercial companies.

Financial companies and institutions (Table 8)

First estimates suggest that the total income arising in the United Kingdom of financial companies and institutions rose by 9 per cent between the first quarters of 1985 and 1986, reflecting the increase in interest receipts. Income from abroad is estimated to have fallen (by 7 per cent) between the first quarters of 1985 and 1986.

The increase in total income between the first quarters of 1985 and 1986 was broadly matched by the rise in the allocations of income in those two quarters, so the balance of undistributed income was little changed. Interest payments (other than debenture and loan interest) rose 9 per cent between the first quarters of 1985 and 1986 and profits due abroad by 6 per cent. UK taxes on income increased by a fifth.

Public corporations (Table 9)

The gross trading surplus of public corporations showed a substantial rise between the first quarters of 1985 and 1986 but the earlier period reflected the adverse effects of the coal dispute on the operations of the electricity supply industry, British Rail and British Steel. The trading surplus in the first quarter of 1986 showed a modest improvement over that in the previous quarter.

Central government (Table 10)

Total central government current receipts rose by 6 per cent or nearly £2 billion between the first quarters of 1985 and 1986. The bulk of this rise was accounted for by the increase in taxes on income, which grew 7 per cent over the period, and by taxes on expenditure, which increased by 8 per cent. Rises occurred in most other items, including national insurance contributions (up 6 per cent). Rent and royalties receipts, however, were at their lowest level in the first quarter of 1986 since the first quarter of 1982, largely reflecting reductions in sterling oil prices.

Total current expenditure rose less than 2 per cent or some £½ billion between the first quarters of 1985 and 1986. While substantial rises occurred over the period in final consumption and national insurance benefits (both up 6 per cent), other current grants to the personal sector (up 11 per cent) and in debt interest (up 8 per cent), there were also major reductions in expenditure in two areas: net current grants paid abroad in the first quarter of 1986 were exceptionally low in relation to the first quarter of 1985 due to substantial differences in the balance of European Community contributions; and subsidies, which had been particularly high in the first quarter of 1985 due to the coal dispute, returned to more normal levels subsequently.

Local authorities (Table 11)

Total current receipt by local authorities increased by over £1 billion (3 per cent) between 1984/5 and 1985/6. The vast majority of this

rise was attributable to the increase in rate income (up 7 per cent). In absolute terms there were only comparatively small rises in other current receipts.

Total current expenditure rose over £1¼ billion (3½ per cent) between 1984/5 and 1985/6. Most of this increase was accounted for by a rise of over £1 billion (4 per cent) in final consumption but there were also rises in expenditure on debt interest (up 7 per cent) and on current grants to the personal sector (up 5 per cent). Expenditure on subsidies in 1985/6 was a fifth lower than in 1984/5, largely due to the ending of local authority subsidies to London Regional Transport.

Summary capital account (Table 13)

The profile of the residual error in recent quarters suggests that estimates of saving and of the sector financial surpluses and deficits should be treated with caution. Preliminary estimates suggest that total saving by all sectors (before providing for depreciation, stock appreciation and additions to reserves) fell only slightly (1 per cent down) between the first quarters of 1985 and 1986. Total gross capital formation (which includes the increase in the book value of stocks and work in progress) was 2 per cent lower on the same comparison. Net investment abroad was very volatile over the same period and, in the first quarter of 1986, was some £600 million higher than a year earlier.

Gross domestic fixed capital formation at 1980 prices (Tables 14 and 15)

Fixed investment in recent quarters has been uneven in particular because expenditure on plant and machinery for leasing out has been brought forward into the first quarter of each calendar year, ahead of April reductions in first year capital allowances. However, the bringing forward of fixed investment for this reason was much less marked in the first quarter of 1986 than in the first quarter of 1985. This explains the 3 per cent reduction in fixed investment between the first quarters of 1985 and 1986.

Value of physical increase in stock and work in progress at 1980 prices (Table 16)

Stockbuilding in the first quarter of 1986 was £400 million following a £300 million increase in the fourth quarter of 1985. The main feature of this first quarter increase was a rise of some £400 million in stocks of the distributive trades (largely wholesaling). Elsewhere, reductions in the stocks of the production industries were offset by increases in the stocks of other industries.

Average estimates of gross domestic product (Table 17)

Table 17 is designed to supplement information about the average measure of GDP presented in Table A. It shows average estimates of GDP on four bases (at current market prices, current factor cost, constant market prices and at constant factor cost) expressed both in £ billion and in index number form.

NOTES

1. Although estimates of gross domestic product (GDP) based on expenditure, income and output should in principle give the same result, in practice there are often variations between them. The output measure is usually the best indicator of quarter on quarter movements; for comparisons over periods of a year or more the average of the three measures is preferred. Investigations continue into the discrepancies between growth in the three measures.

2. In the interpretation of quarterly and annual national accounts estimates, special attention needs to be paid to the higher margins of error attaching to series estimated at constant prices when the rate of inflation is changing significantly. Rapidly changing exchange rates may also affect the valuation of international transactions and the measurement of profits derived from them.

3. Appendix tables

The tables in the Appendix give series of quarterly figures back to 1983. Where a † appears this indicates that the new data are new or have been revised with the period so marked the earliest to have been revised. If the † appears against the first figure in a column, this implies that earlier data have also probably been revised. As all of the series given in the tables in the Appendix are included in the CSO Databank, such earlier data can be obtained from there. The Databank is a collection of macro-economic time series sold to the public in computer readable form. Associated with each series is a code consisting of four letters: the codes for the series given in the Appendix are included at the head of the relevant columns of figures. The Databank contains long runs of data, in many cases starting in the 1940s or 1950s, and the latest figures are available over a month in advance of the publication of Economic Trends. The service is run on CSO's behalf by CISI-Wharton. CISI sell the data directly to end users on magnetic tape, by on-line transfer, on microfiche and on computer printout, and they and other bureaux offer on-line access. Further details can be obtained from CISI-Wharton, Econometric Forecasting Associates, Ebury Gate, 23 Lower Belgrave Street, London SW1W 0NW, Telephone 01-730 8171.

4. Technical note on revisions

Estimates of GDP are subject to revision as more information becomes available. Early estimates are particularly uncertain. An analysis of revisions experience, published in the July 1985 issue of Economic Trends, showed that revisions to growth rates of GDP data published for 1971 to 1979 were, on balance, upwards though not uniformly so.

If past revisions experience were to continue - and this is by no means certain since compilation methods are regularly reviewed and modified as necessary - the analysis suggests a range within which the eventually revised value of the growth rate is likely to lie. The table below shows the first estimates of the growth rates of current and constant price GDP (average measure), together with the ranges within which the revised values might be expected to lie on two thirds of occasions, some five years after first publication, that is, if future revisions are similar to the past.

Percentage changes (at annual rate)(1)

	Change between the first quarters of 1985 and 1986	Range based on past experience	Change between the first quarters of 1984 and 1986	Range based on past experience
Constant prices				
GDP - average measure at factor cost	2½	2¼ - 4¼	2½	2½ - 3¾
GDP - as above but after allowing for the coal dispute (2)	1½	1 - 3	2¼	2¼ - 3½
Current prices				
GDP - average measure at market prices (3)	8½	9 - 11	8¼	8½ - 10¼
GDP - as above but after allowing for the coal dispute (2) (3)	7	7½ - 9½	7¾	8¼ - 9¾

(1) Figures for growth rates based on individual quarters vary from quarter to quarter and do not represent the underlying rate of growth.

(2) Estimates of the effects of the coal dispute are tentative and consequently greater uncertainty attaches to the figures after allowing for the coal dispute.

(3) The range shown is based on the analysis of revisions applicable to GDP at current factor cost. It is unlikely that the revisions performance of GDP at current market prices differed significantly from that at factor cost.

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*The tables show annual figures from 1980 and quarterly figures from 1983.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product		Final expenditure on goods and services at market prices										
					General government consumption								
	At market prices[1]	At factor cost[2]	Total	Consumers' expenditure	Total	Central government	Local authorities	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
At current prices	DJAF	DJAE	DJAK	AIIK	AAXI	ACHC	CSBA	DFDC	DHBF	DJAD	DJAG	AAXC	AAXJ
1980	230 011	199 248	287 729	136 995	48 906	29 940	18 966	41 588	-2 875	63 115	57 718	36 355	5 590
1981	253 688	217 654	314 363	152 245	55 357	33 859	21 498	41 671	-2 815	67 905	60 675	42 389	6 355
1982	276 013	235 390†	344 117	166 564	60 382	37 054	23 328	45 396	-1 305	73 080	68 104	46 529	5 906†
1983	300 490	258 037	378 044	182 039†	65 642	40 559	25 083	49 300†	573	80 390	77 554	48 911	6 458
1984	318 759†	274 483	411 291†	194 173	69 721†	42 951†	26 770†	55 526	-495	92 366	92 532	52 267	7 991
1985	348 287	299 841	447 257	210 206	73 592	45 665	27 927	59 710	614†	103 135†	98 970†	56 564†	8 118
Unadjusted													
1983 1	73 231†	62 920†	91 580†	42 743†	16 457	10 312	6 145	12 712†	561	19 107	18 349	11 937	1 626†
2	71 306	61 037	90 685	43 969	16 217	9 897	6 320	10 948	87	19 464	19 377	11 833	1 562
3	76 358	65 856	96 145	46 599	16 232	10 033	6 199	12 009	838	20 467	19 787	12 315	1 613
4	79 593	68 424	99 634	48 728	16 736	10 317	6 419	13 631	-813	21 352	20 041	12 826	1 657
1984 1	77 554	66 991	98 714	45 890	16 889†	10 439†	6 450	14 123	105	21 707	21 160	12 701	2 138
2	76 309	65 636	99 106	47 465	17 127	10 429	6 698†	12 589	-143	22 068	22 797	12 570	1 897
3	80 020	68 755	103 467	48 828	17 649	10 977	6 672	13 625	326	23 059	23 467	13 179	1 914
4	84 876	73 101	109 984	51 990	18 056	11 106	6 950	15 189	-783	25 532	25 106	13 817	2 042
1985 1	82 965	71 946	109 175	49 099	18 412	11 448	6 964	16 094	-88†	25 658†	26 210†	13 552	2 533
2	83 813	71 980	109 065	50 828	18 211	11 310	6 901	12 884	774	26 388	25 272	13 727†	1 894
3	87 897	75 523	111 703	53 433	18 209	11 387	6 822	14 502	491	25 068	23 806	14 223	1 849
4	93 612	80 392	117 294	56 846	18 760	11 520	7 240	16 230	-563	26 021	23 682	15 062	1 842
1986 1	90 483	77 954	114 176	53 754	19 571	12 171	7 400	16 764	766	23 321	23 693	14 540	2 011
Seasonally adjusted	DJBB	DJBA	DIAB	AIIX	AAXV	ACHP	CSBK	DECR	DGAQ	DJAZ	DJBC	AAXP	AAXW
1983 1	73 843†	63 308†	92 432†	44 120†	16 358	10 254	6 104	12 087†	334	19 533	18 489	12 133	1 499†
2	73 267	62 947	92 394	44 922	16 214	9 894	6 320	11 890	-213	19 581	18 127	11 979	1 659
3	75 905	65 277	95 350	46 118	16 322	10 059	6 263	12 323	359	20 228	19 445	12 263	1 655
4	77 375	66 504	97 868	46 879	16 748	10 352	6 396	13 000	193	21 048	20 493	12 516	1 645
1984 1	78 631	67 724	99 669	47 496	16 804†	10 398†	6 406	13 455	-100	22 014	21 038	12 892	1 985
2	78 520	67 796	101 005	48 476	17 107	10 409	6 698†	13 685	-491	22 228	22 485	12 736	2 012
3	79 703	68 527	103 191	48 415	17 748	11 004	6 742	13 982	-122	23 170	23 488	13 136	1 980
4	81 905	70 436	107 426	49 786	18 064	11 140	6 924	14 404	218	24 954	25 521	13 503	2 034
1985 1	84 285	72 957	110 585	50 746	18 350	11 433	6 917	15 577	-352†	26 284†	26 300†	13 744	2 416
2	86 129	74 198	111 081	51 897	18 179	11 278	6 901	13 957	509	26 539	24 952	13 906†	1 975
3	87 550	75 245	111 207	53 065	18 306	11 403	6 903	14 814	83	24 959	23 657	14 186	1 893
4	90 323	77 441	114 384	54 498	18 757	11 551	7 206	15 362	384	25 373	24 081	14 716	1 834
1986 1	91 786	78 925	116 303	55 514	19 512	12 159	7 353	16 187	672	24 418	24 517	14 755	1 894

1 Equals total final expenditure on goods and services at market prices less imports of goods and services.
2 Equals gross domestic product at market prices less taxes on expenditure plus subsidies. Estimates of the gross domestic product at constant factor cost based on statistics of output are given in Table 3.
3 This represents taxes on expenditure less subsidies valued at constant rates.

Expenditure on the gross domestic product

TABLE 1 (continued)

£ million

	Gross domestic product		Final expenditure on goods and services at market prices										
					General government consumption								
	At market prices[1]	At factor cost[2]	Total	Consumers' expenditure	Total	Central government	Local authorities	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Adjustment to factor cost[3]
Revalued at 1980 prices	DJCX	DJCW	DJDA	CCBH	DJCZ	DJDK	DJDL	DFDM	DHBK	DJCV	DJCY	DJCU
1980	230 011	199 246	287 729	136 995	48 906	29 940	18 966	41 588	-2 875	63 115	57 718	30 765
1981	227 008	196 987	282 926	136 511	48 943	30 144	18 799	37 914	-2 484	62 042	55 918	30 021
1982	229 980†	199 418†	288 724†	137 592	49 364†	30 392	18 972†	40 099	-1 121	62 790	58 744	30 562
1983	238 278	206 741	300 401	142 907†	50 241	30 910	19 331	42 179†	673	64 401	62 123	31 537
1984	242 983	210 265	310 998	145 551	50 927	31 215	19 712	45 600	-142	69 062	68 015	32 718†
1985	250 454	216 760	320 616	149 621	50 996	31 493†	19 503	45 947	663†	73 389†	70 162†	33 694
Unadjusted												
1983 1	58 976†	51 195†	73 834†	34 081	12 635†	7 786	4 849†	11 062†	483	15 573	14 858	7 781
2	56 837	49 317	72 391	34 563	12 485	7 636	4 849	9 464	156	15 723	15 554	7 520
3	60 163	52 203	76 061	36 400†	12 458	7 696	4 762	10 202	688	16 313	15 898	7 960
4	62 302	54 026	78 115	37 863	12 663	7 792	4 871	11 451	-654	16 792	15 813	8 276
1984 1	60 013	51 934	76 218	34 918	12 657	7 796	4 861	11 816	166	16 661	16 205	8 079
2	58 242	50 375	75 311	35 531	12 654	7 715	4 939	10 528	-92	16 690	17 069	7 867†
3	60 707	52 518	77 755	36 404	12 777	7 808	4 969	11 105	238	17 231	17 048	8 189
4	64 021	55 438	81 714	38 698	12 839	7 896	4 943	12 151	-454	18 480	17 693	8 583
1985 1	61 282	52 970	78 860	35 457	12 904	8 048†	4 856	12 687	14†	17 798†	17 578†	8 312
2	60 423	52 389	78 036	36 233	12 657	7 768	4 888	10 013	602	18 531	17 613	8 034
3	62 840	54 329	80 230	37 850	12 661	7 846	4 815	11 113	435	18 171	17 390	8 511
4	65 909	57 072	83 490	40 081	12 774	7 830	4 944	12 134	-388	18 889	17 581	8 837
1986 1	63 705	55 130	80 851	36 983	13 016	8 127	4 889	12 504	600	17 748	17 146	8 575
Seasonally adjusted	DJDI	DJDH	DIAU	CAAB	DIAT	DIAV	DIAW	DECU	DGBA	DJDG	DJDJ	DIAS
1983 1	59 431†	51 619†	74 392†	35 175	12 529†	7 712	4 817†	10 509†	296	15 883	14 961	7 812
2	58 773	50 966	74 099	35 436	12 522	7 673	4 849	10 288	12	15 841	15 326	7 807
3	59 852	51 943	75 477	36 075†	12 533	7 722	4 811	10 480	256	16 133	15 625	7 909
4	60 222	52 213	76 433	36 221	12 657	7 803	4 854	10 902	109	16 544	16 211	8 009
1984 1	60 711	52 582	76 831	36 175	12 586	7 739	4 827	11 252	-24	16 882	16 120	8 129
2	60 309	52 159	77 139	36 416	12 678	7 739	4 939	11 470	-265	16 840	16 830	8 150†
3	60 569	52 429	77 635	36 206	12 852	7 832	5 020	11 405	-142	17 314	17 066	8 140
4	61 394	53 095	79 393	36 754	12 831	7 905	4 926	11 473	289	18 046	17 999	8 299
1985 1	62 016	53 670	79 658	36 607	12 802	7 979†	4 823	12 245	-216†	18 220†	17 642†	8 346
2	62 668	54 336	80 042	37 291	12 685	7 797	4 888	10 928	485	18 673	17 374	8 332
3	62 635	54 172	79 925	37 697	12 740	7 874	4 866	11 295	77	18 116	17 290	8 463
4	63 135	54 582	80 991	38 026	12 769	7 843	4 926	11 479	337	18 380	17 856	8 553
1986 1	63 839	55 240	81 586	38 316	12 914	8 058	4 856	11 916	388	18 052	17 747	8 599

See footnotes on opposite page.

Factor incomes in the gross national product

TABLE 2

£ million

		Gross national product (expenditure-based)		Net property income from abroad	Residual error	Gross domestic product (income-based)	Factor incomes						less: Stock appreciation
		At market prices	At factor cost				Total domestic income[1]	Income from employment[2]	Gross trading profits of companies[1,3,4]	Gross trading surplus of public corporations[1,4]	Gross trading surplus of general government enterprises[1]	Other income[5]	
		DJAN	DJAM	CGOA	DJAS	DJAL	DJAU	DJAO	CIAC	ADRD	DJAQ	DJAP	DJAT
1980		229 792	199 027	-219	-138	199 384	206 116	137 353	29 024	6 181	132	33 446	-6 732
1981		254 636	218 602	948	559	217 095	223 157	148 193	29 760	7 752	155	37 297	-6 062
1982		277 070†	236 447†	1 057†	-2 340†	237 730†	242 067†	158 149	33 985	9 229	121	40 583†	-4 337
1983		302 957	260 504	2 467	-1 540	259 577	264 608	170 018	40 646	9 881	-67	44 130	-5 031
1984		322 784	278 508	4 025	-4 896	279 379	284 874	180 220†	48 241†	8 479	-225†	48 159	-5 495
1985		351 407	302 961	3 120	-5 993	305 834	308 926	196 069	53 321	7 284†	118	52 134	-3 092†
Unadjusted													
1983	1	74 022†	63 711†	791†	144†	62 776†	64 080†	40 983	9 545	2 916	-24	10 660†	-1 304
	2	71 521	61 250	213	-2 336	63 373	64 787	42 128	9 464	2 313	-19	10 901	-1 414
	3	77 376	66 674	1 018	675	64 981	66 106	43 093	10 149	1 725	-6	11 147	-1 127
	4	80 038	68 869	445	-23	68 447	69 633	43 814	11 488	2 927	-18	11 422	-1 186
1984	1	78 338	67 775	784	-816	67 807	69 383	43 649†	11 227†	2 860	-49	11 696	-1 576
	2	77 144	66 471	835	-2 222	67 858	69 322	44 428	11 063	1 971	-58†	11 918	-1 484
	3	81 231	69 966	1 211	-1 106	69 861	70 761	45 349	11 768	1 525	-34	12 153	-900
	4	86 071	74 296	1 195	-752	73 853	75 408	46 794	14 183	2 123	-84	12 392	-1 555
1985	1	83 990	72 971	1 025	-1 618	73 564	75 581	47 039	14 175	1 589	126	12 652	-2 017†
	2	84 549	72 716	736	-3 282	75 282	75 627	48 439	12 871	1 703†	-50	12 864	-365
	3	89 022	76 648	1 125	-880	76 403	76 702	49 855	12 129	1 589	6	13 123	-299
	4	93 846	80 626	234	-213	80 605	81 016	50 736	14 346	2 403	36	13 495	-411
1986	1	91 342	78 813	859	-783	78 737	78 860	51 096	11 458	2 573	13	13 820	-223
Seasonally adjusted		DJBG	DJBF	AIMD	DJDS	DJBE	DIAD	DIAC	CIAD	ADRO	DJAQ	DJBH	DJCE
1983	1	74 585†	63 951†	642	202†	63 107†	64 049†	41 419	9 541	2 453	-24	10 660†	-842
	2	73 534	63 214	267	-1 102	64 049	65 430	42 181	9 787	2 580	-19	10 901	-1 381
	3	76 841	66 213	936	-335	65 612	67 005	42 836	10 679	2 349	-6	11 147	-1 393
	4	77 997	67 126	622†	-305	66 809	68 124	43 582	10 639	2 499	-18	11 422	-1 315
1984	1	78 356	68 449	725	-489	68 213	69 363	44 060†	11 271†	2 365	-49	11 696	-1 150
	2	78 338	68 614	818	-786	68 592	70 038	44 495	11 481	2 202	-58†	11 918	-1 448
	3	80 849	69 673	1 146	-2 068	70 595	71 746	45 102	12 343	2 182	-34	12 153	-1 151
	4	83 241	71 772	1 336	-1 543	71 979	73 727	46 543	13 146	1 730	-84	12 392	-1 748
1985	1	85 300	73 972	1 015	-1 138	74 095	75 680	47 504	14 242	1 156	126	12 652	-1 585†
	2	86 828	74 897	699	-1 992	76 190	76 407	48 515	13 131	1 947†	-50	12 864	-217
	3	88 633	76 328	1 083	-1 709	76 954	77 577	49 593	12 698	2 157	6	13 123	-623
	4	90 646	77 784	323	-1 154	78 595	79 262	50 457	13 250	2 024	36	13 495	-667
1986	1	92 618	79 757	832	-684	79 609	79 189	51 567	11 650	2 119	13	13 820	440

1 Before providing for depreciation and stock appreciation.
2 Wages and salaries, forces' pay and employers' contributions.
3 Including financial institutions.
4 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
5 Income from rent and self-employment and the imputed charge for consumption of non-trading capital.

Index numbers of output at constant factor cost

TABLE 3

1980 = 100

	GROSS DOMESTIC PRODUCT	Agriculture forestry and fishing	Total production and construction	Production			Construction[1]	Distribution hotels and catering; repairs	Transport and communication	Other
				Total[1]	Energy and water supply[1]	Manufacturing (revised definition)[1]				
1980 Weights	1000	22	424	361	95	266	63	128	72	354
	DIAX	CKCY	DVJN	DVGY	DVGZ	DVHE	DVJO	CKDA	CKDB	CKDE
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	98.3	102.4	95.6	96.6	103.9	94.0	89.9	98.1	99.3	101.1
1982	100.1	111.0	97.4	98.4	110.0	94.2	91.6	100.0	98.9	103.0
1983	103.1	106.1†	100.9	101.9	115.8	96.9	95.3	103.2	102.2†	105.7
1984	106.4	121.3	102.5	103.2	110.1	100.7	98.6	106.8	106.4	109.9†
1985	110.2†	117.3	106.9	108.0†	120.0†	103.8	99.8†	110.3†	112.7	113.2
Seasonally adjusted	DSAE	CKAP						CKAQ	CKAR	CKAS
1983 1	101.7†	106	99.4	100.4	113.3	95.8	93.7	102	101	104†
2	102.1	104	99.2	100.4	114.3	95.4	92.1	102	102	105
3	103.8	105	102.0	102.8	117.6	97.6	97.7	104	103†	106
4	105.0	110	103.1	104.1	118.3	98.9	97.8	105	104	107
1984 1	105.8	117	103.2	104.3	117.7	99.5	97.0	105	104	108
2	105.8	123	101.6	102.2	107.9	100.1	98.1	106	105	109
3	106.7	124	102.4	102.7	105.4	101.7	100.5	107	107	111
4	107.5	121	102.9†	103.6	109.5	101.5†	98.7	109†	109	111
1985 1	109.1	118	105.5	106.5	115.9	103.2	99.5†	109	111	112
2	110.2	118	107.4	108.6†	121.0	104.2	100.0	110	113	113
3	110.4	117	107.2	108.6	121.4†	104.0	99.1	111	113	113
4	111.2	118†	107.4	108.5	121.9	103.7	100.8	111	114	115
1986 1	111.4	120	107.3	109.0	127.1	102.5	97.5	111	115	115

1 Any differences between this column and the data on page 26 arise because the latter may be based on more recent information.

Personal income, expenditure and saving

TABLE 4

£ million

		Personal income before tax								Total personal disposable income[2,3]	Consumers' expenditure	Balance: personal saving[3]	Saving ratio[4]	Real personal disposable income at 1980 prices[5]	Index of real personal disposable income (1980=100)
		Total[1]	Wages, salaries and forces' pay	Employers' contributions	Current grants from general government	Other personal income	UK taxes on income (payments)	National insurance, etc. contributions	Other current transfers						
		AIIA	AIJA	AIID	AIIE	AIIF	AIIG	AIIH	AIJC	AIIJ	AIIK	AAAU	AIIN	CFAG	CFAE
1980		201 971	119 223	18 130	25 533	39 085	25 543	13 944	1 302	161 182	136 995	24 187	15.0	161 182	100.0
1981		221 646	127 686	20 495	31 122	42 331	28 728	15 923	1 448	175 547	152 245	23 302	13.3	157 405	97.7
1982		242 184†	136 651	21 468	36 383	47 632†	31 446	18 106	1 502	191 110†	166 564	24 546†	12.8	157 868†	97.9
1983		261 164	146 714	23 304	39 566†	51 580	32 911	20 749	1 699	205 805	182 039†	23 766	11.5†	161 564	100.2
1984		279 636	156 021†	24 199	42 814	56 602	34 597	22 220	1 826	220 993	194 173	26 820	12.1	165 855	102.8†
1985		302 160	169 541	26 228†	46 061	60 030	37 519†	23 974	1 940†	238 727	210 206	28 521	11.9	169 922	105.4
Unadjusted													AIIM		CFAD
1983	1	62 930†	35 443	5 540	9 609	12 338†	8 530	4 804	412	49 184†	42 743†	6 441†	13.1	39 210†	97.3
	2	64 324	36 305	5 823	9 741†	12 455	7 589	5 242	423	51 070	43 969	7 101	13.9	40 138	99.6
	3	66 356	37 156	5 937	10 012	13 251	8 325	5 319	431	52 281	46 599	5 682	10.9	40 831	101.3
	4	67 554	37 810	6 004	10 204	13 536	8 467	5 384	433	53 270	48 728	4 542	8.5	41 385	102.7
1984	1	67 743	37 699†	5 950†	10 619	13 475	8 769	5 391	448	53 135	45 890	7 245	13.6†	40 427	100.3†
	2	68 661	38 430	5 998	10 544	13 689	8 189	5 503	447	54 542	47 465	7 077	13.0	40 824	101.3
	3	69 593	39 288	6 061	10 611	13 633	8 603	5 588	454	54 948	48 828	6 120	11.1	40 983	101.7
	4	73 639	40 604	6 190	11 040	15 805	9 056	5 738	477	58 368	51 990	6 378	10.9	43 441	107.8
1985	1	72 528	40 740	6 299	11 313	14 176	9 091	5 772	477	57 188	49 099	8 089	14.1	41 290	102.5
	2	74 585	41 952	6 487	11 309	14 837	8 759†	5 976	482†	59 368	50 828	8 540	14.4	42 312	105.0
	3	76 403	43 199	6 656	11 536	15 012	9 741	6 097	493	60 072	53 433	6 639	11.1	42 544	105.6
	4	78 644	43 950	6 786	11 903	16 005	9 928	6 129	488	62 099	58 846	5 253	8.5	43 776	108.6
1986	1	78 845	44 259	6 837	12 190	15 559	10 106	6 173†	525	62 041	53 754	8 287	13.4	42 684	105.9
Seasonally adjusted		AIIQ	AIJB	AIIR	AIIS	AIIT	AIIU	AIIV	AIJC	AIIW	AIIX	AAUU	AIIZ	CFAH	CFAF
1983	1	63 052†	35 827	5 592	9 475	12 158†	8 290	4 851	412	49 499†	44 120†	5 379†	10.9	39 485†	97.9†
	2	64 789	36 349	5 832	9 773†	12 815	8 010	5 252	423	51 084	44 922	6 162	12.1	40 298	100.0
	3	66 016	36 930	5 906	10 178	13 002	8 299	5 290	431	51 996	46 118	5 878	11.3	40 674	100.9
	4	67 327	37 608	5 974	10 140	13 605	8 312	5 356	433	53 226	46 879	6 347	11.9	41 127	102.1
1984	1	68 196	38 080†	6 000†	10 456	13 660	8 546	5 441	448	53 781	47 496	6 285	11.7	40 951	101.6
	2	68 929	38 487	6 008	10 597	13 837	8 612	5 514	447	54 356	48 476	5 880	10.8†	40 838	101.3
	3	69 523	39 070	6 032	10 792	13 629	8 523	5 559	454	54 987	48 415	6 572	12.0	41 125	102.1
	4	72 988	40 384	6 159	10 969	15 476	8 916	5 706	477	57 889	49 786	8 103	14.0	42 741	106.1
1985	1	73 331	41 153	6 351	11 138	14 689	8 891	5 825	477	58 138	50 746	7 392	12.7	41 938	104.1
	2	74 341	42 016	6 499	11 372	14 454	9 204†	5 988	482†	58 667	51 897	6 770	11.5	42 155	104.6
	3	76 305	42 967	6 626	11 730	14 982	9 651	6 066	493	60 095	53 065	7 030	11.7	42 690	105.9
	4	78 183	43 705	6 752	11 821	15 905	9 773	6 095	488	61 827	54 498	7 329	11.9	43 139	107.1
1986	1	79 557	44 677	6 890	12 012	15 978	9 906	6 229†	525	62 897	55 514	7 383	11.7	43 412	107.7

1 Before providing for depreciation and stock appreciation.
2 Equals total personal income before tax less payments of taxes on income, national insurance, etc. contributions and other current transfers.
3 Before providing for depreciation, stock appreciation and additions to tax reserves.
4 Personal saving as a percentage of total personal disposable income.
5 Personal disposable income revalued by the implied consumers' expenditure deflator (1980 = 100).

Consumers' expenditure

TABLE 5

£ million

		Total consumers' expenditure	Durable goods: Total	Durable goods: Cars, motor cycles and other vehicles	Durable goods: Furniture and floor coverings	Durable goods: Other durable goods	Other goods: Food (household expenditure)	Other goods: Beer	Other goods: Other alcoholic drink	Other goods: Tobacco	Other goods: Clothing other than footwear	Other goods: Footwear	Other goods: Energy products	Other goods: Other goods	Services: Rent, rates and water charges	Services: Other services[1]
At current prices		AIIK	AIIL	CCDT	CCDU	CCDV	CCDW	CCDX	CCDY	CCDZ	CCEA	CCEB	CCEC	CCED	CCEE	CCEF
1980		136 995	13 673	6 661	3 429	3 583	22 873	5 320	4 634	4 822	8 103	1 760	10 957	14 370	16 044	34 439
1981		152 245	14 226	6 792	3 536	3 898	24 170	5 970	5 183	5 515	8 318	1 848	13 367	15 556	19 465	38 627
1982		166 564	15 452	7 351	3 698	4 403	25 590	6 451	5 553	5 882	8 854	2 067	14 955	16 811	22 375	42 574
1983		182 039†	18 243	9 138	4 116	4 989	27 287	7 140	6 232	6 208	9 782	2 312	16 214	18 235	23 597†	46 789†
1984		194 173	19 255†	9 550†	4 392	5 313	28 448	7 733	6 683	6 622	10 619	2 539	16 929	19 799	24 841	50 905
1985		210 206	21 016	10 512	4 639	5 865	29 741	8 417	7 348	7 010	11 910	2 753	18 514	21 812	26 626	55 059
Unadjusted																
1983	1	42 743†	4 757	2 594	994	1 169	6 394	1 566	1 128	1 475	1 986	448	4 523	4 039	5 792†	10 635†
	2	43 989	4 145	2 151	954	1 040	6 706	1 788	1 314	1 558	2 215	569	3 780	4 280	5 892	11 722
	3	46 599	4 983	2 865	970	1 148	6 922	1 971	1 439	1 569	2 313	589	3 422	4 417	5 937	13 037
	4	48 728	4 356	1 528	1 198	1 632	7 265	1 815	2 351	1 606	3 268	706	4 489	5 499	5 976	11 395
1984	1	45 890	4 981	2 694	1 067	1 220	6 846	1 700	1 243	1 568	2 122	479	4 905	4 286	6 035	11 725
	2	47 465	4 615†	2 545†	984	1 086	7 235	1 971	1 449†	1 640	2 397	625	3 837	4 685	6 162	12 849
	3	48 828	4 933	2 661	1 056	1 216	7 031	2 051	1 537	1 691	2 527	651	3 506	4 803	6 195	13 903
	4	51 990	4 726	1 650	1 285	1 791	7 336	2 011	2 454	1 723	3 573	784	4 681	6 025	6 249	12 428
1985	1	49 099	5 116	2 659	1 127	1 330	7 051	1 861	1 306	1 683	2 408	548	5 288	4 735	6 381	12 724
	2	50 828	4 896	2 667	1 056	1 173	7 377	2 116	1 585	1 742	2 735	683	4 228	5 157	6 653	13 656
	3	53 433	5 851	3 367	1 126	1 358	7 493	2 215	1 883	1 776	2 816	695	3 947	5 290	6 735	14 932
	4	56 846	5 153	1 819	1 330	2 004	7 820	2 225	2 772	1 809	3 951	829	5 053	6 630	6 857	13 747
1986	1	53 754	5 807	3 141	1 174†	1 492†	7 529†	1 937†	1 427	1 762†	2 652†	571†	5 736†	5 103†	7 038	14 192
Revalued at 1980 prices		CCBH	CCBI	CCBJ	CCBK	CCBL	CCBM	CCBN	CCBO	CCBP	CCBQ	CCBR	CCBS	CCCK	CCCL	CCBV
1980		136 995	13 673	6 661	3 429	3 583	22 873	5 320	4 634	4 822	8 103	1 760	10 957	14 370	16 044	34 439
1981		136 511	13 789	6 610	3 376	3 803	22 676	5 000	4 612	4 470	8 105	1 692	10 992	14 438	16 279	34 458
1982		137 592	14 475	6 792	3 424	4 259	22 587	4 825	4 545	4 128	8 330	1 811	11 038	14 623	16 510	34 720
1983		142 907†	16 629	8 137	3 694	4 798	23 019	4 914	4 816	4 083	8 872	1 951	11 129	14 915	16 737	35 842†
1984		145 551	16 805†	7 896†	3 749	5 160	22 739	4 943	5 039†	3 944	9 359	2 057	11 239	15 479	16 968	36 979
1985		149 621	17 412	7 876	3 830	5 706	22 919	4 933	5 289	3 836	10 070	2 117	11 703	15 975	17 200†	38 167
Unadjusted																
1983	1	34 081	4 397	2 364	906	1 127	5 506	1 108	897	998	1 833	384	3 116	3 377	4 163	8 302
	2	34 563	3 768	1 918	855	995	5 712	1 235	1 016	1 023	2 025	481	2 615	3 515	4 179	8 994
	3	36 400†	4 499	2 524	871	1 104	5 804	1 351	1 099	1 024	2 093	495	2 374	3 582	4 192	9 887†
	4	37 863	3 965	1 331	1 062	1 572	5 997	1 220	1 804	1 038	2 921	591	3 024	4 441	4 203	8 659
1984	1	34 918	4 421	2 309	929	1 183	5 538	1 126	940	1 004	1 907	397	3 253	3 407	4 212†	8 713
	2	35 531	3 986†	2 095†	844	1 047	5 758	1 268	1 097†	964	2 120	511	2 569	3 681	4 238	9 339
	3	36 404	4 261	2 184	891	1 186	5 601	1 303	1 157	984	2 224	523	2 373	3 739	4 253	9 986
	4	38 698	4 137	1 308	1 085	1 744	5 842	1 246	1 845	992	3 108	626	3 044	4 652	4 265	8 941
1985	1	35 457	4 330	2 081	949	1 300	5 457	1 128	987	957	2 089	427	3 343	3 536	4 280	8 943
	2	36 233	4 015	2 001	873	1 141	5 719	1 245	1 154	949	2 335	531	2 667	3 792	4 295	9 531
	3	37 850	4 736	2 484	927	1 325	5 809	1 293	1 204	960	2 381	534	2 517	3 842	4 309	10 265
	4	40 081	4 331	1 310	1 081	1 940	5 934	1 267	1 984	970	3 265	625	3 176	4 805	4 316	9 428
1986	1	36 983	4 629	2 222	953†	1 454†	5 682†	1 094†	995	931†	2 221†	430†	3 572†	3 618†	4 329	9 482
Seasonally adjusted		CAAB	CCBW	CCBX	CCBY	CCBZ	CCCA	CCCB	CCCC	CCCD	CCCE	CCCF	CCCG	CCCM	CCCN	CCCJ
1983	1	35 175	4 091	2 028	904	1 159	5 696	1 223	1 173	1 018	2 159	468	2 734	3 699	4 163	8 751
	2	35 436	4 000	1 884	933	1 183	5 699	1 187	1 187	1 029	2 209	489	2 847	3 697	4 179	8 913
	3	36 075†	4 274	2 171	917	1 186	5 786	1 277	1 201	1 013	2 233	495	2 783	3 723	4 192	9 088†
	4	36 221	4 264	2 054	940	1 270	5 828	1 227	1 255	1 023	2 271	499	2 765	3 796	4 203	9 090
1984	1	36 175	4 175†	2 028†	928	1 219	5 743	1 239	1 233	1 020	2 259	489	2 863	3 750	4 212†	9 192
	2	36 416	4 234	2 062	922	1 250	5 731	1 224	1 273†	974	2 315	517	2 800	3 871	4 238	9 239
	3	36 206	4 089	1 867	941	1 281	5 603	1 226	1 256	974	2 376	523	2 783	3 887	4 253	9 234
	4	36 754	4 307	1 939	958	1 410	5 662	1 252	1 277	976	2 409	528	2 793	3 971	4 265	9 314
1985	1	36 607	4 122	1 819	949	1 354	5 665	1 238	1 275	971	2 479	524	2 922	3 907	4 280	9 224
	2	37 291	4 290	1 964	952	1 374	5 680	1 203	1 343	960	2 545	535	2 892	3 990	4 295	9 558
	3	37 697	4 532	2 124	978	1 430	5 820	1 218	1 312	952	2 531	533	2 962	3 995	4 309	9 533
	4	38 026	4 458	1 969	951	1 548	5 754	1 274	1 359	953	2 515	525	2 927	4 083	4 316	9 852
1986	1	38 316	4 397	1 946	954†	1 497†	5 900†	1 201†	1 301	945†	2 625†	528†	3 106†	3 986†	4 329	9 998

1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.

Appropriation account of companies and financial institutions[1]

TABLE 6

£ million

		Income						Allocation of income					
		Income arising in the United Kingdom						Dividends and interest, etc.[3]			UK taxes on income (payments)[5]		
			Gross trading profits										
		Total	After deducting stock appreciation[2]	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares	Other[4]	Profits due abroad (net of UK tax)	Total	of which: advance corporation tax	Balance: undistributed income[6]
		CIDB	CICS	CIDP	CIAC	CICN	CIAL	CIAY	CIDV	CIBU	CIDC	CICR	CIDA
1980		51 028†	23 502	5 522	29 024	14 922	7 082†	3 354	14 477	4 769	6 625	2 031	21 803†
1981		55 005	24 731	5 029	29 760	16 589	8 656	3 416	14 956	4 695	8 491	1 872	23 447
1982		61 098	30 525	3 460	33 985	18 102	9 011	3 819†	17 623†	4 724†	10 175	2 114	24 757
1983		69 964	36 528	4 118	40 646	18 191	11 127	4 660	16 633	5 368	11 909	1 848	31 394
1984		84 523	43 638†	4 603	48 241†	22 045†	14 237	5 546	19 831	6 447	13 907	2 882	38 792
1985		97 751	50 698	2 623†	53 321	28 834	15 596	7 234	25 036	7 492	16 685†	3 884†	41 304
Unadjusted													
1983	1	16 585†	8 441	1 104	9 545	4 405	2 635†	660	4 022†	1 103	4 642	814	6 158†
	2	16 391	8 392	1 072	9 464	4 279	2 648	1 425†	3 989	1 510	1 429	309	8 038
	3	17 897	9 188	981	10 149	4 786	2 963	1 209	4 033	1 198†	2 364	451	9 093
	4	19 091	10 527	961	11 488	4 722	2 881	1 366	4 589	1 557	3 474	275	8 105
1984	1	19 832	9 874†	1 353	11 227†	5 156†	3 449	720	4 463	1 850	4 717	1 083	8 082
	2	19 425	9 814	1 249	11 063	4 991	3 371	1 501	4 534	1 597	1 971	400	9 822
	3	21 272	10 975	793	11 768	5 972	3 532	1 049	4 970	1 368	3 745	755	10 140
	4	23 994	12 975	1 208	14 183	5 926	3 885	2 276	5 864	1 632	3 474	624	10 748
1985	1	25 310	12 492	1 683†	14 175	6 779	4 356	1 006	5 945	2 292	6 320†	1 370	9 747
	2	23 818	12 357	314	12 671	7 262	3 885	2 088	6 665	1 901	2 303	496	10 861
	3	23 405	11 875	254	12 129	7 415	3 861	1 625	6 224	1 358	4 163	1 021†	10 035
	4	25 218	13 974	372	14 346	7 378	3 494	2 515	6 202	1 941	3 899	977	10 661
1986	1	22 799	11 108	350	11 458	7 773	3 568	1 390	6 281	1 460	6 046	1 314	7 622
Seasonally adjusted		CIDN	CIDE	CIDQ	CIAD	CICQ	CIAM	CIBF	CIDW	CIBV	CIDO	CIDD	CIDM
1983	1	16 503†	8 780†	761	9 541†	4 378	2 584†	983†	4 082†	1 115	2 803	564	7 540†
	2	16 720	8 705	1 082	9 787	4 301	2 632	1 166	3 998	1 514	2 936	487	7 106
	3	18 441	9 502	1 177	10 679	4 773	2 989	1 260	4 215	1 227†	3 020	444	8 719
	4	18 300	9 541	1 098	10 639	4 739	2 922	1 251	4 358	1 512	3 150	354	8 029
1984	1	19 829	10 326	945†	11 271	5 101†	3 457	1 133	4 518	1 856	3 131	742	9 191
	2	19 824	10 208	1 273	11 481	5 031	3 312	1 235	4 543	1 587	3 275	641	9 184
	3	21 873	11 362	981	12 343	5 955	3 565	1 124	5 285	1 400	3 624	732	10 480
	4	22 997	11 742	1 404	13 146	5 948	3 903	2 054	5 505	1 604	3 877	747	9 957
1985	1	25 372	12 967	1 275	14 242	6 735	4 395	1 592	6 002	2 298	4 277†	839	11 203
	2	24 251	12 929	202	13 131	7 302	3 818	1 695	6 467	1 889	4 114	851	10 086
	3	23 981	12 168	530	12 698	7 402	3 881	1 737	6 476	1 386	4 057	1 023†	10 325
	4	24 147	12 634	616	13 250	7 395	3 502	2 210	6 091	1 919	4 237	1 151	9 690
1986	1	22 988	11 935	-285	11 650	7 727	3 611	2 178	6 057	1 464	4 294	760	8 995

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of such payments is included in 'UK taxes on income'. Excludes dividends and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax), petroleum revenue tax and supplementary petroleum tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies[1]

TABLE 7

£ million

		Income								Allocation of income				
		Income arising in the United Kingdom								Dividends and interest, etc.[3]				
		Gross trading profits												
		Net of stock appreciation				Before deducting stock appreciation								
		Total	Total[2]	N.Sea oil companies	Other companies	Stock appreciation		Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares	Other[4]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[5]	Balance: undistributed income[6]
		AIAA	AIAB	CIDR	CIDS	AIAC	AIAD	AIAE	AIAF	AIAH	AIAI	AIAJ	AIAL	AAAQ
1980		40 015	26 045	8 057	17 988	5 522	31 567	3 395	5 053	3 260	9 344	4 424	5 801	17 186
1981		43 423	29 215	10 866	18 349	5 029	34 244	3 636	5 543	3 225	9 722	4 182	7 666	18 629
1982		46 569†	33 855	12 710	21 145	3 460	37 315	3 970†	5 284	3 591†	11 124†	4 041	9 165	18 648†
1983		55 272	40 831	15 798	25 033	4 118	44 949	3 811	6 512	4 380	10 660	4 743	10 681	24 808
1984		68 288	50 482†	19 114	31 368†	4 603	55 085†	4 432	8 771†	5 231	12 771	5 719†	12 632	31 935
1985		76 166	58 973	18 407†	40 566	2 623†	61 596	5 587	8 983	6 868	15 769	6 623	15 193†	31 713
Unadjusted														
1983	1	12 815†	9 279	4 045	5 234	1 104	10 383	966†	1 466	602	2 815	934	3 670	4 794†
	2	12 844	9 369	3 527	5 842	1 072	10 441	906	1 497†	1 287†	2 583†	1 339	1 368	6 267
	3	14 169	10 318	3 865	6 453	981	11 299	982	1 888	1 142	2 549	1 054	2 258	7 166
	4	15 444	11 865	4 361	7 504	961	12 826	957	1 661	1 349	2 713	1 416	3 385	6 581
1984	1	16 077	11 390†	4 706	6 684†	1 353	12 743†	1 129	2 205	669	2 809	1 650†	3 721	7 228
	2	15 648	11 482	4 404	7 078	1 249	12 731	1 007	1 910	1 343	2 930	1 398	1 910	8 067
	3	17 106	12 762	4 520	8 242	793	13 555	1 167	2 384	958	3 551	1 202	3 629	7 766
	4	19 457	14 848	5 484	9 364	1 208	16 056	1 129	2 272	2 261	3 481	1 469	3 372	8 874
1985	1	20 217	14 442	5 780†	8 662	1 683†	16 125	1 428	2 664	962	4 205	2 055	5 130†	7 865
	2	18 510	14 382	4 574	9 808	314	14 696	1 399	2 415	1 868	3 954	1 663	2 242	8 783
	3	17 824	13 975	3 700	10 275	254	14 229	1 377	2 218	1 557	3 789	1 161	4 017	7 300
	4	19 615	16 174	4 353	11 821	372	16 546	1 383	1 686	2 481	3 821	1 744	3 804	7 765
1986	1	17 316	13 408	3 455	9 953	350	13 758	1 569	1 989	1 342	3 821	1 209	4 546	6 398
Seasonally adjusted		AIAN	AIAO	CIDT	CIDU	AIAP	AIAQ	AIAR	AIAS	AIAU	AIAV	AIAW	AIAY	AAUQ
1983	1	12 805†	9 618†	3 783†	5 835	761	10 379†	939†	1 487†	914†	2 767	946	2 489	5 689†
	2	13 139	9 682	3 658	6 024	1 082	10 764	928	1 447	1 104	2 609†	1 343	2 635	5 448
	3	14 715	10 652	4 083	6 569	1 177	11 829	970	1 916	1 189	2 589	1 083	2 718	7 136
	4	14 613	10 879	4 274	6 605	1 068	11 977	974	1 662	1 173	2 695	1 371	2 839	6 535
1984	1	16 088	11 842	4 388	7 454†	945†	12 787	1 074	2 227	1 071	2 753	1 656†	2 830	7 778
	2	16 040	11 876	4 583	7 293	1 273	13 149	1 047	1 844	1 159	2 973	1 388	2 974	7 546
	3	17 689	13 149	4 793	8 356	981	14 130	1 160	2 399	1 028	3 597	1 234	3 304	8 526
	4	18 471	13 615	5 350	8 265	1 404	15 019	1 151	2 301	1 973	3 448	1 441	3 524	8 085
1985	1	20 277	14 917	5 410	9 507	1 275	16 192	1 384	2 701	1 531	4 095	2 061	3 885†	8 705
	2	18 942	14 954	4 793	10 161	202	15 156	1 439	2 347	1 586	4 010	1 651	3 802	7 893
	3	18 412	14 268	3 954	10 314	530	14 798	1 364	2 250	1 656	3 884	1 189	3 627	8 076
	4	18 535	14 834	4 250	10 584	616	15 450	1 400	1 685	2 095	3 800	1 722	3 879	7 039
1986	1	17 502	14 235	3 233	11 002	-285	13 950	1 523	2 029	2 119	3 769	1 213	3 820	6 581

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of such payments is included in 'UK taxes on income'. Excludes dividends and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 The difference between all companies payments and financial companies and insitutions' payments of taxes on income. The former include payments of corporation tax (including advance corporation tax), petroleum revenue tax, and supplementary petroleum tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of financial companies and institutions

TABLE 8

£ million

	Income						Allocation of income						
		Income arising in the United Kingdom					Dividends and interest, etc.						
			Rent and non-trading income					Other interest payments					
	Total	Gross trading profits[1,2]	of the monetary sector	of building societies	Other	Income from abroad (net of taxes paid abroad)	Dividends and debenture and loan interest payments[3]	by the monetary sector	by building societies	Other	Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance: undistributed income[5]
	AIFA	AIFB	AIFC	AIFD	AIFE	AIFF	AIFG	AIFH	AIFI	AIFJ	AIFK	AIFL	AAAM
1980	20 021†	-2 543	11 106	6 666	2 763	2 029†	592	6 673	6 215	755	345	824	4 617†
1981	20 704	-4 484	12 033	7 405	2 637	3 113	672	6 803	6 501	571	513	826	4 818
1982	24 354	-3 330	13 929	8 336	1 692†	3 727	745	8 243	7 346	218	683†	1 010	6 109
1983	23 585	-4 303	13 346	8 206	1 721	4 615	824	7 114	6 993	215	625	1 228	6 586
1984	26 619	-6 844	15 764†	10 279	1 954	5 466	886	7 857†	8 750†	266	728	1 275	6 857
1985	35 694	-8 275†	21 477	13 718†	2 161	6 613	965†	11 210	11 330	237†	869	1 492†	9 591
Unadjusted													
1983 1	6 076†	-838	3 499	1 845	401†	1 169†	155	1 832	1 531	53	169	972	1 364†
2	5 736	-977	3 262	1 911	389	1 151	267	1 806	1 610	50	171	61	1 771
3	5 926	-1 150	3 319	2 202	480	1 075	220	1 716	1 759	54	144†	106	1 927
4	5 847	-1 338	3 266	2 248	451	1 220	182	1 760	2 093	58	141	89	1 524
1984 1	6 050	-1 516	3 510†	2 342	470	1 244	155	1 759†	2 024†	62	200	998	854
2	6 143	-1 668	3 614	2 272	464	1 461	294	1 771	1 896	67	199	61	1 755
3	7 118	-1 787	4 519	2 718	520	1 148	249	2 106	2 035	72	166	116	2 374
4	7 308	-1 873	4 121	2 947	500	1 613	188	2 221	2 695	65	163	102	1 874
1985 1	8 702	-1 950	5 442	3 033†	485	1 692	155	2 737	2 436	65	237	1 190	1 882
2	8 917	-2 025	5 461	3 487	524	1 470	383	2 861	3 257	59†	238	61	2 078
3	9 035	-2 100	5 279	3 638	575	1 643	233	2 835	2 832	57	197	146	2 735
4	9 040	-2 200†	5 295	3 560	577	1 808	214†	2 777	2 805	56	197	95†	2 896
1986 1	9 212	-2 300	5 755	3 601	577	1 579	168	2 859	3 151	59	251	1 500	1 224
Seasonally adjusted	AIFN	AIFB	AIFC	AIFU	AIFO	AIFP	AIFQ	AIFV	AIFR	AIFJ	AIFK	AIFS	AAUM
1983 1	6 028†	-838	3 499	1 845	425†	1 097†	198	1 874†	1 569†	53	169	314	1 851†
2	5 782	-977	3 262	1 911	401	1 185	203	1 801	1 598	50	171	301	1 658
3	5 908	-1 150	3 319	2 202	464	1 073	203	1 758	1 864	54	144†	302	1 583
4	5 867	-1 338	3 266	2 248	431	1 260	220	1 681	1 962	58	141	311	1 494
1984 1	6 065	-1 516	3 510†	2 342	499	1 230	200	1 793	2 096	62	200	301	1 413
2	6 152	-1 668	3 614	2 272	476	1 468	225	1 771	1 961	67	199	301	1 638
3	7 118	-1 787	4 519	2 718	502	1 166	231	2 156	2 239	72	166	320	1 934
4	7 274	-1 873	4 121	2 947	477	1 602	230	2 137	2 454	65	163	353	1 872
1985 1	8 734	-1 950	5 442	3 033†	515	1 694	208†	2 782	2 552	65	237	392†	2 498
2	8 931	-2 025	5 461	3 487	537	1 471	286	2 853	3 010	59†	238	312	2 193
3	9 003	-2 100	5 279	3 638	555	1 631	222	2 892	2 956	57	197	430	2 249
4	9 026	-2 200†	5 295	3 560	554	1 817	269	2 683	2 812	56	197	358	2 651
1986 1	9 247	-2 300	5 755	3 601	609	1 582	218	2 914	2 917	59	251	474	2 414

1 Before providing for depreciation and stock appreciation.
2 This represents the contribution of financial companies and institutions to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of such payments is included in 'UK taxes on income'. Excludes dividends and debenture interest paid by UK subsidiaries to their overseas parents.
4 Payment of corporation tax on taxable income (including advance corporation tax) by financial companies and institutions.
5 Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of public corporations[1]

TABLE 9

£ million

		Income								Allocation of income				
			Gross trading surplus				Rent and non-trading income			Payments of interest and dividends, etc.				
		Total	After deducting stock appreciation	Stock appreciation	Before deducting stock appreciation[2]	of which: subsidies	Total	of which: rent subsidies	Income from abroad	Total[3]	To general government[3]	Other	UK taxes on income (payments)[4]	Balance: undistributed income[5]
		ADRA	ADRB	ADRC	ADRD	ADRZ	ADRF	ADVA	ADRG	ADRP	ADRR	ADRJ	ADRK	AAAI
1980		7 178	5 743	418	6 161	1 436†	932	305†	85	2 958	2 169	789	52	4 168
1981		9 056	7 364	558	7 752	1 957	1 234	318	70	3 468	2 475	993	172	5 418
1982		10 659	8 714	515	9 229	2 251	1 397	302	33	3 977	2 892	1 085	435	6 247
1983		11 451	9 459	422	9 881	2 649	1 528	310	42	3 757	2 762	995	244	7 450
1984		10 114	7 945	534	8 479	3 664	1 572	321	63	3 681	2 593	1 088	301	6 132
1985		9 383†	7 284†	–†	7 284†	3 346	2 040	325	59	3 666	2 861	1 025	106	5 391†
Unadjusted														
1983	1	3 322	2 834	82	2 916	581†	395	74†	11	1 137	849	288	210	1 975
	2	2 680	2 112	201	2 313	673	357	78	10	812	576	236	2	1 866
	3	2 116	1 702	23	1 725	674	381	79	10	938	718	220	13	1 185
	4	3 333	2 811	116	2 927	721	395	79	11	870	619	251	19	2 444
1984	1	3 247	2 748	112	2 860	908	373	79	14	1 081	792	289	254	1 912
	2	2 397	1 869	102	1 971	952	410	80	16	802	567	235	36	1 559
	3	1 925	1 472	53	1 525	894	382	81	18	989	700	289	5	931
	4	2 545	1 856	267	2 123	910	407	81	15	809	534	275	6	1 730
1985	1	2 168	1 413†	176†	1 589	1 233	563	81	16	976	650	326	106	1 086
	2	2 295†	1 763	–60	1 703†	820	578	81	14	952	730	222	–	1 343†
	3	2 093	1 840	–51	1 589	681	489	81	15	1 013†	814†	199	–	1 080
	4	2 827	2 468	–65	2 403	612	410	82	14	945	667	278	–	1 882
1986	1	3 107	2 758	–185	2 573	475	519†	82	15†	1 118	762	356†	290†	1 699
Seasonally adjusted		ADRE	ADRM	ADRN	ADRO	ADRZ	ADRQ	ADVA	ADRG	ADRX	ADRY	ADRJ	ADRV	AAUI
1983	1	2 852	2 375	78	2 453	581†	388	74†	11	1 025	737	288	61	1 766
	2	2 954	2 409	171	2 580	673	364	78	10	953	717	236	81	1 940
	3	2 733	2 268	81	2 349	674	374	79	10	866	646	220	61	1 806
	4	2 912	2 407	92	2 499	721	402	79	11	913	662	251	61	1 938
1984	1	2 745	2 245	120	2 365	908	366	79	14	977	688	289	75	1 693
	2	2 635	2 129	73	2 202	952	417	80	16	928	693	235	75	1 632
	3	2 575	2 078	104	2 182	894	375	81	18	934	645	289	75	1 566
	4	2 159	1 493	237	1 730	910	414	81	15	842	567	275	76	1 241
1985	1	1 728	972†	184†	1 156	1 233	556	81	16	950	624	326	26	752
	2	2 546†	2 036	–89	1 947†	820	585	81	14	992	770	222	26	1 528†
	3	2 654	2 157	–	2 157	681	482	81	15	1 018†	819†	199	27	1 609
	4	2 455	2 119	–95	2 024	612	417	82	14	926	648	278	27	1 502
1986	1	2 646	2 296	–177	2 119	475	512†	82	15†	1 092	736	356†	72†	1 482

1 Figures reflect exclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 Before providing for depreciation.
3 Including royalties and licence fees on oil and gas production.
4 Corporation tax, petroleum revenue tax and supplementary petroleum tax.
5 Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government

TABLE 10

£ million

		Receipts										
		Total	Taxes on income[1]	Taxes on expenditure	National insurance contributions	National health contributions	Redundancy Fund, etc contributions[2]	Gross trading surplus[3]	Rent[3] and royalties, etc	Interest and dividends, etc	Miscellaneous current transfers	Imputed charge for consumption of non-trading capital
		ACGA	ACGB	ACGC	ACGD	ACGE	ACGF	ACGG	ACGH	ACGY	ACGX	ACGL
1980		79 545	30 875	28 071	12 690	1 042	212	-83	1 220	4 884	184	670
1981		91 575	36 023	31 978	14 365	1 344	214	-53	1 436	5 347	184	757
1982		102 058	40 545	34 643	15 988	1 594	524	-170	1 681	6 278	184	791
1983		109 469	43 182	36 622	18 424	1 750	575	-326	1 978	6 225	214	825
1984		118 119	46 579	39 492	19 787	1 856	577	-489	2 522	6 722	223	860
1985		130 461†	51 881†	42 984†	21 328	2 019	627	-171†	2 466	8 236	204†	887
Unadjusted												
1983	1	29 127	13 099	8 874	4 219	423	162	-93	534	1 653	55	201
	2	24 603	8 456	8 765	4 670	436	136	-82	422	1 540	56	204
	3	26 980	10 205	9 240	4 739	442	138	-69	506	1 516	54	209
	4	28 759	11 422	9 743	4 796	449	139	-82	516	1 516	49	211
1984	1	30 867	13 453	9 609	4 801	449	141	-112	559	1 697	58	212
	2	26 730	9 532	9 349	4 901	460	142	-127	560	1 640	59	214
	3	29 930	11 856	9 952	4 976	467	145	-105	688	1 677	58	216
	4	30 592	11 738	10 582	5 109	480	149	-155	715	1 708	48	218
1985	1	34 040†	15 155†	10 305	5 139	483	150	54	840	1 642	53	219
	2	29 600	10 414	10 292†	5 323	498	154	-122	568	2 196	55†	221
	3	33 030	13 239	10 778	5 431	508	158	-66†	480	2 227†	52	223
	4	33 791	13 073	11 609	5 435	529	165	-37	578	2 171	44	224
1986	1	35 825	15 934	11 076	5 471†	535†	167†	-60	414†	1 998	67	223†
Seasonally adjusted		ACGM	ACGN	ACGO	ACGP	ACGQ	ACGF	ACGG	ACGT	ACGZ	ACGX	ACGL
1983	1	26 810	10 745	8 981	4 262	427	162	-93	498	1 572	55	201
	2	27 010	10 548	9 005	4 680	436	136	-82	483	1 564	56	204
	3	27 645	10 892	9 240	4 712	440	138	-69	510	1 519	54	209
	4	28 004	10 997	9 396	4 770	447	139	-82	507	1 570	49	211
1984	1	28 743	11 306	9 727	4 847	453	141	-112	517	1 592	58	212
	2	29 025	11 438	9 599	4 911	461	142	-127	622	1 706	59	214
	3	29 775	11 739	9 936	4 949	465	145	-105	688	1 684	58	216
	4	30 576	12 094	10 230	5 080	477	149	-155	695	1 740	48	218
1985	1	31 580†	12 623†	10 424	5 187	488	150	54	783	1 599	53	219
	2	32 435	12 857	10 555†	5 334	500	154	-122	641	2 240	55†	221
	3	32 841	13 090	10 780	5 403	505	158	-66†	480	2 216†	52	223
	4	33 605	13 311	11 225	5 404	526	165	-37	562	2 181	44	224
1986	1	33 530	13 534	11 218	5 522†	540†	167†	-60	364†	1 955	67	223†

1 Tax receipts less tax credits.
2 Including, from the second quarter of 1982, contributions from employees.
3 Before providing for depreciation.
4 The coverage of the figures from 1983 onwards differs from that for earlier periods because of the effects of the introduction of the new housing benefit scheme at the end of 1982.

Current account of central government

TABLE 10 (continued)

£ million

		Expenditure											
			Final consumption										
		Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits	Other current grants to personal sector[4]	Current grants to local authorities[4]	Current grants paid abroad (net)	Debt interest	Balance: current surplus[5]
		ACHB	ACHC	ACHD	ACHE	ACHF	ACHG	ACHH	ACHI	ACHJ	ACHK	ACHL	AAAA
1980		82 248	29 940	11 325	11 265	7 350	4 571	14 405	10 023	13 240	1 782	8 287	-2 703
1981		96 010	33 859	12 563	12 978	8 318	5 226	17 170	12 811	15 183	1 634	10 127	-4 435
1982		106 084†	37 054	14 388	13 588	9 098	4 572	18 679	16 408	16 140	1 801	11 430†	-4 026†
1983		114 827	40 559	15 614	15 363	9 582	5 117	20 008	16 377	18 556	1 956	12 254	-5 358
1984		124 872	42 951†	16 855†	16 070	10 026	6 619	21 356	17 723	19 985	2 132	14 106	-6 753
1985		134 132	45 665	17 865	17 068†	10 732†	6 944†	22 426†	19 611†	20 316†	3 363†	15 807	-3 671
Unadjusted													
1983	1	28 333†	10 312	3 789	4 021	2 502	1 285	4 834	4 137	4 296	194	3 275†	794†
	2	28 241	9 897	3 915	3 734	2 248	1 235	4 872	3 911	4 956	795	2 575	-3 638
	3	28 828	10 033	3 924	3 762	2 347	1 280	5 083	4 082	4 524	429	3 397	-1 848
	4	29 425	10 317	3 986	3 846	2 485	1 317	5 219	4 247	4 780	538	3 007	-666
1984	1	31 495	10 439†	4 037†	3 864	2 538	1 779	5 289	4 351	5 311	589	3 737	-628
	2	30 433	10 429	4 213	3 906	2 310	1 560	5 112	4 419	5 045	796	3 072	-3 703
	3	31 228	10 977	4 248	4 185	2 544	1 577	5 279	4 415	4 652	655	3 673	-1 298
	4	31 716	11 106	4 357	4 115	2 634	1 703	5 676	4 538	4 977	92	3 624	-1 124
1985	1	34 397	11 448	4 359	4 114	2 975	2 173†	5 629†	4 595	5 475	1 115†	3 962	-357
	2	32 644	11 310	4 476	4 305†	2 529†	1 627	5 412	4 813†	5 097	748	3 637	-3 044
	3	33 271	11 387	4 470	4 292	2 625	1 578	5 529	5 029	4 674	824	4 250	-241
	4	33 820	11 520	4 560	4 357	2 603	1 566	5 856	5 174	5 070†	676	3 958	-29
1986	1	34 931	12 171	4 579	4 500	3 092	1 731	5 975	5 102	5 398	280	4 274	894
Seasonally adjusted													
		ACHO	ACHP	ACHQ	ACHR	ACHS	ACHT	ACHU	ACHV	ACHW	ACHX	ACHY	AAUA
1983	1	27 180†	10 254	3 837	4 022	2 395	1 158	4 710	4 198	3 926	74	2 860†	-370†
	2	28 757	9 894	3 870	3 727	2 297	1 332	4 947	3 947	4 905	737	2 995	-1 747
	3	29 068	10 059	3 911	3 765	2 383	1 322	5 247	4 062	4 757	464	3 157	-1 423
	4	29 822	10 352	3 996	3 849	2 507	1 305	5 104	4 170	4 968	681	3 242	-1 818
1984	1	30 296	10 398†	4 084†	3 868	2 446	1 628	5 164	4 392	4 769	482	3 465	-1 553
	2	31 046	10 409	4 166	3 898	2 345	1 675	5 190	4 469	5 139	716	3 448	-2 021
	3	31 594	11 004	4 237	4 185	2 582	1 623	5 447	4 401	4 900	698	3 521	-1 819
	4	31 936	11 140	4 368	4 119	2 653	1 695	5 555	4 461	5 177	236	3 672	-1 360
1985	1	33 235	11 433	4 409	4 119	2 905	2 056†	5 490†	4 638	4 867	993†	3 758	-1 655
	2	33 094	11 278	4 426	4 296†	2 556†	1 708	5 495	4 868†	5 123	664	3 958	-659
	3	33 614	11 403	4 458	4 292	2 653	1 622	5 710	5 015	5 040	872	3 952	-773
	4	34 189	11 551	4 572	4 361	2 618	1 558	5 731	5 090	5 286†	834	4 139	-584
1986	1	33 760	12 159	4 632	4 505	3 022	1 614	5 824	5 154	4 790	157	4 062	-230

See footnotes on opposite page.

Current account of local authorities

TABLE 11

£ million

Receipts

		Total	Current grants from central government[1]	Rates[1]		Gross trading surplus[2]	Rent	Dividends and interest	Imputed charge for consumption of non-trading capital
				Cash receipts	Accruals adjustment[2]				
		ADAA	ACHJ	CSBF	ADDC	ADAD	ADAE	ADAF	ADAG
1980		26 551	13 240	8 575	-291	215	3 031	707	1 074
1981		31 020	15 183	10 521	-110	206	3 276	738	1 204
1982		33 555†	16 140	12 211	-325	291	3 177†	818	1 243
1983		35 999	18 556	12 277	12	259	2 862	747	1 286
1984		37 883	19 985	12 919	-144	274†	2 820	699†	1 330
1985		39 171	20 316†	13 635†	-55†	289	2 880	764	1 342
Unadjusted									
1983	1	8 738†	4 296	1 512	1 551	69	741†	253	317
	2	9 279	4 956	3 742	-674	63	723	151	318
	3	8 866	4 524	2 991	84	63	704	178	322
	4	9 115	4 780	4 032	-949	64	694	165	329
1984	1	9 703	5 311	1 553	1 539	63	694	211†	332
	2	9 512	5 045	4 032	-811	69†	701	144	332
	3	9 166	4 662	3 071	156	71	709	174	333
	4	9 502	4 977	4 263	-1 028	71	716	170	333
1985	1	10 067	5 475	1 564	1 663	72	721	238	334
	2	9 817	5 097	4 171	-736†	72	720	158	335
	3	9 434	4 674	3 312†	133	72	719	188	336
	4	9 833	5 070†	4 588	-1 135	73	720	180	337
1986	1	10 242	5 398	1 726	1 738	73	723	247	337†
Seasonally adjusted									
		ADBA	ACHW	ADBB		ADAD	ADAE	ADBC	ADAG
1983	1	8 416†	3 926	3 152		69	741†	211	317
	2	9 164	4 905	2 974		63	723	181	318
	3	9 075	4 757	3 043		63	704	186	322
	4	9 344	4 968	3 120		64	694	189	329
1984	1	9 202	4 769	3 185		63	694	179†	332
	2	9 551	5 139	3 137		69†	701	173	332
	3	9 390	4 900	3 200		71	709	177	333
	4	9 740	5 177	3 273		71	716	170	333
1985	1	9 512	4 887	3 320		72	721	198	334
	2	9 785	5 123	3 351†		72	720	184	335
	3	9 781	5 040	3 418		72	719	196	336
	4	10 093	5 286†	3 491		73	720	186	337
1986	1	9 667	4 790	3 537		73	723	207	337†

1 The coverage of the figures from 1983 onwards differs from that for earlier periods because of the effects of the introduction of the new housing benefit scheme at the end of 1982.
2 Adjustments to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.
3 Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11 (continued)

£ million

		Expenditure								
		Total	Total current expenditure	Final consumption			Subsidies	Current grants to personal sector[1]	Debt interest	Balance: current surplus[2]
				Total	Education	Other				
		ADAA	ADAH	CSBA	ADAI	ADAJ	ADAK	ADAL	ADAM	AAAE
1980		26 551	25 323	18 966	9 870	9 096	1 019	1 105	4 233	1 228
1981		31 020	28 165	21 498	11 127	10 371	1 129	1 141	4 397	2 855
1982		33 555†	30 279†	23 328	11 939	11 389	1 334†	1 296	4 321	3 276†
1983		35 999	33 544	25 083	12 701	12 382	1 341	3 181†	3 939	2 455
1984		37 683	35 890	26 770†	13 411†	13 359†	1 372	3 735	4 013	1 993
1985		39 171	37 544	27 927	13 739	14 188	1 174	4 024	4 419†	1 627
Unadjusted										
1983	1	8 739†	8 367†	6 145	3 133	3 012	341†	638	1 243	372†
	2	9 279	8 402	6 320	3 246	3 074	327	958†	797	877
	3	8 866	8 435	6 199	3 114	3 085	333	847	1 056	431
	4	9 115	8 340	6 419	3 208	3 211	340	738	843	775
1984	1	9 703	8 995	6 450	3 251	3 199	359	979	1 207	708
	2	9 512	8 857	6 698†	3 335†	3 363	337	1 013	809	655
	3	9 166	8 987	6 672	3 275	3 397†	337	917	1 061	179
	4	9 502	9 051	6 950	3 550	3 400	339	826	936	451
1985	1	10 087	9 697	6 964	3 456	3 508	360	1 089	1 284	390
	2	9 817	9 143	6 901	3 443	3 458	267	1 084	891	674
	3	9 434	9 253	6 822	3 325	3 497	271	978	1 182†	181
	4	9 833	9 451	7 240	3 515	3 725	276	873	1 062	382
1986	1	10 242	10 049	7 400	3 712	3 688	280	1 113	1 256	193
Seasonally adjusted		ADBA	ADBD	CSBK	ADBE	ADAJ	ADAK	ADBF	ADBG	AAUE
1983	1	8 416†	8 006†	6 104	3 092	3 012	341†	567	994	410†
	2	9 164	8 527	6 320	3 246	3 074	327	879†	1 001	637
	3	9 075	8 435	6 263	3 178	3 085	333	869	970	640
	4	9 344	8 576	6 396	3 185	3 211	340	866	974	768
1984	1	9 202	8 628	6 406	3 207	3 199	359	900	963	574
	2	9 551	8 977	6 698†	3 335†	3 363	337	938	1 004	574
	3	9 390	8 993	6 742	3 345	3 397†	337	944	970	397
	4	9 740	9 292	6 924	3 524	3 400	339	953	1 076	448
1985	1	9 512	9 314	6 917	3 409	3 508	360	1 010	1 027	198
	2	9 785	9 248	6 901	3 443	3 458	267	1 009	1 071	537
	3	9 781	9 291	6 903	3 406	3 497	271	1 005	1 112†	490
	4	10 093	9 691	7 206	3 481	3 725	276	1 000	1 209	402
1986	1	9 667	9 666	7 353	3 665	3 688	280	1 034	999	1

See footnotes on opposite page.

International transactions

TABLE 12

£ million

United Kingdom credits

		At current prices						Revalued at 1980 prices	
			Exports and property income from abroad			Current transfers			
		Total	Exports of goods[1]	Exports of services	Property income from abroad[2]	To personal sector	To central government	Exports of goods[1]	Exports of services
		CGPZ	CGJP	CGJZ	CGJS	CGJV	CGEF	CGTG	CGTH
1980		88 427	47 422	15 883	23 512	842	958	47 422	15 883
1981		107 643†	50 977	18 928	37 114†	986	1 658	47 071	14 971
1982		120 245	55 565	17 515	43 890	1 118	2 157	48 318	14 472
1983		126 001	60 776	19 614	42 089	1 301	2 221	49 203	15 198
1984		147 559	70 367	21 999	51 385	1 438	2 370	53 335	15 727
1985		159 146	78 072	25 063†	52 674	1 577	1 760†	56 245	17 144†
Unadjusted									
1983	1	31 675	14 690	4 417	11 342	309	917	12 112	3 461
	2	30 013	14 760	4 704	9 947	321	281	12 027	3 696
	3	31 442	14 782	5 685	10 205	332	438	11 886	4 427
	4	32 871	16 544	4 808	10 595	339	585	13 178	3 614
1984	1	34 191†	16 856	4 851	11 475†	347	662	13 121	3 540
	2	34 601	16 840	5 228	11 893	356	284	12 920	3 770
	3	37 230	16 702	6 357	13 466	363	342	12 638	4 593
	4	41 537	19 969	5 563	14 551	372	1 082	14 656	3 824
1985	1	41 363	19 990	5 668†	14 788	380	539	14 006	3 792†
	2	40 490	20 236	6 152	13 435	392	275†	14 287	4 244
	3	38 469	17 942	7 126	12 471	400	530	13 194	4 977
	4	38 824	19 904	6 117	11 982	405	418	14 758	4 131
1986	1	36 189	17 635†	5 686	11 955	410†	483	13 930†	3 818
Seasonally adjusted		CGQA	CGKG	CGKS	CGKL	CCKO	CGEL	CGTI	CGSG
1983	1	32 063	14 682	4 851	11 328	309	893	12 103	3 780
	2	30 151	14 745	4 836	9 868	321	381	12 013	3 828
	3	31 277	15 290	4 938	10 253	332	464	12 295	3 838
	4	32 510	16 059	4 989	10 640	339	483	12 792	3 752
1984	1	34 478†	16 673	5 341	11 488†	347	629	12 977	3 885
	2	34 823	16 860	5 368	11 839	356	400	12 936	3 904
	3	37 384	17 649	5 521	13 489	363	362	13 349	3 965
	4	40 874	19 185	5 769	14 569	372	979	14 073	3 973
1985	1	41 984	20 070	6 194†	14 829	380	511	14 066	4 154†
	2	40 703	20 237	6 302	13 376	392	396†	14 290	4 383
	3	38 367	18 748	6 211	12 478	400	550	13 791	4 325
	4	38 072	19 017	6 356	11 991	405	303	14 098	4 282
1986	1	37 285	18 204†	6 214	12 001	410†	456	13 913†	4 139

1 On a balance of payments basis.
2 Net of foreign taxes.
3 Net of UK taxes.
4 Equal to the current balance in the balance of payments account.

International transactions

TABLE 12 (continued)

£ million

United Kingdom debits

	At current prices								Revalued at 1980 prices	
			Imports and property income paid abroad			Current transfers				
	Total	Total debits	Imports of goods[1]	Imports of services	Property income paid abroad[3]	From personal sector	From central government	Balance: net investment and capital transfers abroad[4]	Imports of goods[1]	Imports of services
	CGPZ	CGQB	CGGL	CGGZ	CGGK	CGGV	CGGJ	AING	CGTC	CGTD
1980	88 427	85 327	46 061	11 657	23 731	1 138	2 740	3 100	46 061	11 657
1981	107 643†	101 417†	47 617	13 058	36 166†	1 284	3 292	6 226	44 339	11 579
1982	120 245	116 213	53 234	14 870	42 833	1 318	3 958	4 032†	46 752	11 992
1983	126 001	122 838	61 611	15 943	39 622	1 485	4 177	3 163	50 511	11 612
1984	147 559	145 997	74 758	17 774	47 360	1 603	4 502	1 562	56 137	11 878
1985	159 146	155 383	80 140	18 830†	49 554	1 736†	5 123†	3 763	57 916	12 248†
Unadjusted										
1983 1	31 675	30 368†	14 945	3 404	10 551†	357	1 111	1 307†	12 425	2 433
2	30 013	30 554	15 505	3 872	9 734	367	1 076	-541	12 681	2 873
3	31 442	30 218	14 921	4 866	9 187	377	867	1 224	12 287	3 611
4	32 871	31 898	16 240	3 801	10 150	384	1 123	1 173	13 118	2 695
1984 1	34 191†	33 492	17 373	3 787	10 691	390	1 251	699	13 605	2 800
2	34 601	35 323	18 423	4 374	11 058	388	1 080	-722	14 078	2 991
3	37 230	37 115	18 209	5 258	12 255	396	997	115	13 518	3 530
4	41 537	40 067	20 753	4 355	13 358	429	1 174	1 470	14 936	2 757
1985 1	41 363	42 049	21 796	4 414†	13 761	424	1 654†	-886	14 911	2 667†
2	40 490	39 421	20 649	4 623	12 699	427†	1 023	1 069	14 579	3 034
3	38 469	36 947	18 429	5 377	11 346	441	1 354	1 522	13 722	3 668
4	38 824	36 966	19 266	4 416	11 748	444	1 092	1 858	14 704	2 877
1986 1	36 169	36 010	19 426†	4 267	11 096	458	763	159	14 394†	2 752
Seasonally adjusted	CGQA	CGQC	CGHK	CGHU	CGHJ	CGGV	CGHI	AIMF	CGTE	CGTF
1983 1	32 063	30 499	14 613	3 876	10 686	357	967	1 564	12 157	2 804
2	30 151	30 213	15 210	3 917	9 601	367	1 118	-62	12 435	2 891
3	31 277	30 067	15 376	4 069	9 317	377	928	1 210	12 663	2 962
4	32 516	32 059†	16 412	4 081	10 018†	384	1 164	451†	13 256	2 955
1984 1	34 478†	33 302	16 738	4 300	10 783	390	1 111	1 176	13 119	3 001
2	34 823	35 010	18 100	4 385	11 021	388	1 116	-187	13 844	2 986
3	37 384	37 287	19 112	4 376	12 343	396	1 060	97	14 193	2 873
4	40 874	40 398	20 808	4 713	13 233	429	1 215	476	14 981	3 018
1985 1	41 984	42 042	21 336	4 984†	13 814	424	1 504†	-58	14 582	3 060†
2	40 703	39 116	20 361	4 591	12 677	427†	1 060	1 587	14 365	3 009
3	38 387	36 915	19 201	4 456	11 395	441	1 422	1 472	14 292	2 998
4	38 072	37 310	19 242	4 819	11 668	444	1 137	762	14 677	3 179
1986 1	37 285	36 757	19 604†	4 913	11 169	458	613	528	14 520†	3 227

See footnotes on opposite page.

Summary capital account

TABLE 13

£ million

		Receipts												
			Saving[1]						Capital transfers (net)					
					Companies					Companies				
		Total	Total	Personal sector	Industrial and commercial	Financial	Public corporations[2]	General government[2]	Personal sector	Industrial and commercial	Financial	Public corporations[2]	General government[2]	Residual error
		CJAW	CJAU	AAAU	AAAQ	AAAM	AAAI	AAXM	AAAV	AAAR	AAAN	AAAJ	GGCM	DJAS
1980		48 545	48 683	24 187	17 186	4 617	4 168	-1 475	276	414	-128	500	-1 062	-138
1981		51 144	50 585	23 302	18 629	4 818	5 416	-1 580	206†	641†	-399	568	-1 016	559
1982		52 460†	54 800†	24 548†	16 648†	6 109†	6 247	-750†	533	526	-252	514	-1 421†	-2 340†
1983		58 167	59 707	23 766	24 808	6 586	7 450	-2 903	1 252	489	-186	636	-2 191	-1 540
1984		62 088	66 984	26 820	31 935	6 857	6 132	-4 760	1 517	350	-215	622	-2 274	-4 896
1985		67 179	73 172	28 521	31 713	9 591	5 391†	-2 044	510	392	-370	684†	-1 216	-5 993
Unadjusted														
1983	1	15 884†	15 740†	6 441†	4 794†	1 364†	1 975	1 166†	200†	241†	-92	224	-573	144†
	2	11 908	14 244	7 101	6 257	1 771	1 866	-2 761	198	85	-23	129	-389	-2 336
	3	15 198	14 523	5 682	7 186	1 927	1 165	-1 417	386	71	-25	137	-569	675
	4	15 177	15 200	4 542	6 581	1 524	2 444	109	488	92	-46	146	-660	-23
1984	1	16 503	17 319	7 245	7 228	854	1 912	80	529	109	-102	215	-751	-816
	2	13 188	15 410	7 077	8 067	1 755	1 559	-3 048	321	60	-23	125	-483	-2 222
	3	14 966	16 072	6 120	7 766	2 374	931	-1 119	359	94	-34	134	-553†	-1 106
	4	17 431	18 183	6 378	8 874	1 874	1 730	-673	308	87	-56	148	-487	-752
1985	1	17 337	18 955	8 089	7 885	1 882	1 066	33	192	155	-113	218†	-452	-1 618
	2	15 092	18 374	8 540	8 783	2 078	1 343†	-2 370	137	36	-70	128	-231	-3 282
	3	16 814	17 694	6 639	7 300	2 735	1 080	-60	199	93	-72	167	-387	-880
	4	17 936	18 149	5 253	7 765	2 896	1 882	353	-18	108	-115	171	-146	-213
1986	1	17 912	18 695	8 287	6 398	1 224	1 699	1 087	3	127	-255†	185	-60	-783
Seasonally adjusted		CJBL	CJBJ	AAUU	AAUQ	AAUM	AAUI	AAXZ	AAUV	AAUR	AAUN	AAUJ	GGCN	DJDS
1983	1	14 927†	14 725†	5 379†	5 689†	1 851†	1 766	40†	198†	191†	-45	162	-504	202†
	2	12 998	14 098	6 162	5 448	1 658	1 940	-1 110	248	122	-60	162	-472	-1 102
	3	15 285	15 620	5 878	7 136	1 583	1 806	-783	374	84	-44	160	-574	-335
	4	14 959	15 284	6 347	6 535	1 494	1 938	-1 050	434	92	-37	152	-641	-305
1984	1	15 681	16 170	6 265	7 778	1 413	1 693	-979	491	80	-39	159	-691	-489
	2	14 453	15 249	5 880	7 546	1 638	1 832	-1 447	396	95	-71	153	-573	-796
	3	15 108	17 176	6 572	8 526	1 934	1 566	-1 422	346	99	-57	156	-544†	-2 068
	4	16 846	18 389	8 103	8 085	1 872	1 241	-812	284	76	-48	154	-466	-1 543
1985	1	16 752	17 890	7 392	8 705	2 498	752	-1 457	199	117	-42	166†	-442	-1 138
	2	16 270	18 262	6 770	7 893	2 193	1 528†	-122	180	64	-104	151	-291	-1 992
	3	16 972	18 681	7 030	8 076	2 249	1 609	-283	168	113	-115	188	-354	-1 709
	4	17 185	18 339	7 329	7 039	2 651	1 502	-182	-37	98	-109	177	-129	-1 154
1986	1	16 947	17 631	7 383	6 581	2 414	1 482	-229	14	89	-182†	134	-55	-684

1 Before providing for depreciation, stock appreciation and additions to reserves.
2 Excluding financial transactions on the writing-off of debt.
3 Gross domestic fixed capital formation plus the increase in book value of stocks and work in progress.
4 Equals, apart from the change in sign, the financial surplus or deficit of the overseas sector.
5 This balance is equal to saving plus capital transfers less gross capital formation.

Summary capital account

TABLE 13 (continued)

£ million

		Expenditure								Financial surplus or deficit[5]					
		Gross capital formation[3]													
					Companies						Companies				
		Total	Total	Personal sector	Industrial and commercial	Financial	Public corporations	General government	Net investment abroad[4]	Personal sector	Industrial and commercial	Financial	Public corporations[2]	General government[2]	
		CJAW	GGCO	GGCP	GGCQ	GGCR	GGCS	GGCT	AABI	AABH	AABG	AABF	AABD	AABC	
1980		48 545	45 445	9 539	17 911	5 155	7 235	5 605	3 100	14 924	-311	-666	-2 567	-8 142	
1981		51 144	44 918	10 316	17 533	5 361	7 164	4 544	6 226	13 192†	1 737†	-942	-1 180	-7 140	
1982		52 460†	48 428	13 040	17 350	5 857	7 802	4 379	4 032†	12 039	1 924	-†	-1 041	-6 550†	
1983		58 167	55 004†	15 151†	20 321	5 233	8 248†	6 050†	3 163	9 857	4 976	1 167	-163†	-11 144	
1984		62 088	60 525	16 346	23 736	6 685	7 311	6 448	1 562	11 991	8 549	-43	-557	-13 482	
1985		67 179	63 416	17 674	25 116†	7 830†	5 627	7 189	3 763	11 357	6 989	1 391	448	-10 429	
Unadjusted															
1983	1	15 884†	14 577†	3 600†	5 213	1 343	2 116†	2 305†	1 307†	3 041†	-178†	-71†	83†	-1 712†	
	2	11 908	12 449	3 630	4 709	1 151	2 062	897	-541	3 669	1 643	597	-67	-4 047	
	3	15 198	13 974	3 926	5 362	1 186	2 068	1 432	1 224	2 142	1 875	716	-766	-3 418	
	4	15 177	14 004	3 995	5 037	1 553	2 003	1 416	1 173	1 015	1 636	-75	587	-1 967	
1984	1	16 503	15 804	4 171	6 095	1 382	1 846	2 310	699	3 603	1 242	-630	281	-2 981	
	2	13 188	13 910	3 998	5 794	1 448	1 618	1 052	-722	3 400	2 333	284	66	-4 583	
	3	14 966	14 851	4 054	5 629	1 698	1 872	1 598	115	2 425	2 231	642	-807	-3 270	
	4	17 431	15 961	4 123	6 218	2 157	1 975	1 488	1 470	2 563	2 743	-339	-87	-2 648	
1985	1	17 337	18 023	4 383	7 000†	2 485†	1 671	2 484	-686	3 898	1 020	-716	-367	-2 903	
	2	15 092	14 023	4 230	5 993	1 330	1 221	1 249	1 069	4 447	2 826	678	250	-3 850	
	3	16 814	15 292	4 285	5 946	1 825	1 507	1 727	1 522	2 553	1 445	838	-260	-2 174	
	4	17 936	16 078	4 776	6 175	2 190	1 228	1 709	1 858	459	1 698	591	825	-1 502	
1986	1	17 912	17 753	4 697	7 127	2 047	1 142	2 740	159	3 593	-802	-1 078	742	-1 713	
Seasonally adjusted															
		CJBL	GGCU	GGCV	GGCW	GGCX	GGCY	GGCZ	AAVI	AAVH	AAVG	AAVF	AAVD	AAVC	
1983	1	14 927†	13 363†	3 557†	4 736†	1 395†	2 056†	1 619†	1 564	2 018†	1 144†	411†	-128†	-2 083†	
	2	13 996	13 058	3 776	4 558	1 272	2 118	1 336	-62	2 634	1 012	326	-14	-2 918	
	3	15 285	14 075	3 883	5 317	1 239	2 090	1 546	1 210	2 389	1 903	300	-124	-2 903	
	4	14 959	14 508	3 935	5 710	1 327	1 987	1 549	451†	2 846	917	130	103	-3 240	
1984	1	15 881	14 505	4 151	5 572	1 427	1 802	1 553	1 176	2 605	2 286	-53	50	-3 223	
	2	14 453	14 640	4 149	5 661	1 629	1 661	1 540	-187	2 127	1 980	-62	124	-3	
	3	15 108	15 011	3 985	5 633	1 767	1 905	1 721	97	2 933	2 992	110	-183	[illegible]	
	4	16 846	16 370	4 061	5 870	1 862	1 943	1 634	476	4 326	1 291	-38	-548	[illegible]	
1985	1	16 752	16 810	4 380	6 454	2 525	1 706	1 745	-58	3 211	2 368	-89	-786	[illegible]	
	2	16 270	14 683	4 411	5 828	1 512	1 220	1 712	1 587	2 539	2 129	577	459	[illegible]	
	3	16 972	15 500	4 175	6 074	1 904	1 497	1 850	1 472	3 023	2 115	230	300	[illegible]	
	4	17 185	16 423	4 708	6 760	1 889	1 204	1 862	762	2 584	377	653	475	[illegible]	
1986	1	16 947	16 419	4 705	6 532	2 084	1 163	1 955	528	2 692	138	168	453	[illegible]	

See footnotes on opposite page.

Gross domestic fixed capital formation by sector and type of asset

TABLE 14

£ million

	Total	Private sector[1]	General government[1]	Public corporations[1]	Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new building and works[2]
							Private	Public	
	DFDC	DFDG	AAYE	AAAK	DFEJ	DFCX	DFDF	DFDH	DFCT
At current prices									
1980	41 588	29 395	5 554	6 639	4 564	15 002	5 883	2 573	13 566
1981	41 671	30 322	4 623	6 726	3 917	15 031	6 225	1 963	14 535
1982	45 396	34 043	4 311	7 042	4 339	16 361	7 187	2 072	15 437
1983	49 300	35 760	5 733	7 807	4 464	18 067	8 214	2 697	15 858
1984	55 526	41 423	6 601	7 502	5 773	20 056	9 205	2 758	17 734
1985	59 710	47 430	6 621	5 659	6 630	22 845	9 813	2 524	17 898
Unadjusted									
1983 1	12 712	8 412	2 152	2 148	1 080	4 519	2 003	995	4 115
2	10 948	8 352	828	1 768	1 058	4 074	1 869	449	3 498
3	12 009	8 785	1 325	1 899	1 029	4 343	2 073	594	3 970
4	13 631	10 211	1 428	1 992	1 297	5 131	2 269	659	4 275
1984 1	14 123	9 522	2 373	2 228	1 498	4 805	2 275	997	4 548
2	12 589	9 783	1 072	1 734	1 168	4 463	2 285	497	4 176
3	13 625	10 285	1 557	1 783	1 438	4 968	2 191	633	4 395
4	15 189	11 833	1 599	1 757	1 669	5 820	2 454	631	4 615
1985 1	16 094	12 011	2 284	1 799	2 263	6 071	2 290	954	4 516
2	12 884	10 539	1 077	1 268	1 351	4 777	2 312	432	4 012
3	14 502	11 578	1 591	1 333	1 485	5 457	2 387	567	4 606
4	16 230	13 302	1 669	1 259	1 531	6 540	2 824	571	4 764
1986 1	16 764	12 513	2 585	1 666	1 757	6 394	2 520	973	5 120
Revalued at 1980 prices									
	DFDM	DFDQ	DFDS	DFCZ	DFEH	DFCY	DFDP	DFDR	DFCU
1980	41 588	29 395	5 554	6 639	4 564	15 002	5 883	2 573	13 586
1981	37 914	27 788	4 083	6 043	3 617	13 856	5 497	1 725	13 219
1982	40 099	30 225	3 745	6 129	3 693	14 102	6 065	1 827	14 412
1983	42 179	30 456	5 146	6 577	3 702	14 837	6 585	2 346	14 709
1984	45 600	33 724	5 768	6 108	4 430	15 805	6 720	2 262	16 383
1985	45 947	35 986	5 576	4 385	4 691	18 937	6 553	1 993	15 773
Unadjusted									
1983 1	11 062	7 310	1 912	1 840	914	3 802	1 639	877	3 830
2	9 464	7 211	756	1 497	890	3 367	1 539	396	3 272
3	10 202	7 414	1 201	1 587	846	3 517	1 654	516	3 669
4	11 451	8 521	1 277	1 653	1 052	4 151	1 753	557	3 938
1984 1	11 816	7 896	2 092	1 828	1 187	3 855	1 728	831	4 215
2	10 528	8 160	941	1 427	913	3 542	1 725	411	3 937
3	11 105	8 296	1 361	1 448	1 091	3 879	1 568	515	4 052
4	12 151	9 372	1 374	1 405	1 239	4 529	1 699	505	4 179
1985 1	12 687	9 341	1 931	1 415	1 647	4 661	1 560	760	4 059
2	10 013	8 109	920	984	975	3 552	1 564	342	3 580
3	11 113	8 749	1 336	1 028	1 027	3 978	1 599	447	4 062
4	12 134	9 787	1 389	958	1 042	4 746	1 830	444	4 072
1986 1	12 504	9 104	2 132	1 268	1 171	4 599	1 615	755	4 360
Seasonally adjusted									
	DECU	DFEB	DFED	DFDA	DEBP	DEBO	DFEA	DFEC	DFCV
1983 1	10 509	7 533	1 316	1 660	853	3 719	1 636	651	3 650
2	10 288	7 553	1 144	1 591	914	3 638	1 644	517	3 575
3	10 480	7 513	1 299	1 668	915	3 661	1 688	576	3 640
4	10 902	7 857	1 387	1 658	1 020	3 819	1 617	602	3 844
1984 1	11 252	8 137	1 467	1 648	1 120	3 807	1 717	611	3 997
2	11 470	8 571	1 372	1 527	951	3 847	1 838	543	4 291
3	11 405	8 407	1 466	1 532	1 164	4 052	1 593	572	4 024
4	11 473	8 609	1 483	1 401	1 195	4 099	1 572	536	4 071
1985 1	12 245	9 621	1 334	1 290	1 595	4 652	1 553	556	3 889
2	10 928	8 531	1 324	1 073	1 007	3 879	1 671	456	3 915
3	11 295	8 798	1 426	1 071	1 076	4 087	1 635	503	3 994
4	11 479	9 036	1 492	951	1 013	4 319	1 694	478	3 975
1986 1	11 916	9 296	1 489	1 131	1 078	4 509	1 610	540	4 179

1 Including purchases less sales of land and existing buildings.
2 Including transfer costs of land and buildings.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

	Total	Extraction of mineral oil and natural gas	All other energy and water supply	Manufacturing (revised definition)[1] [2]	Distribution, hotels and catering; repairs	Transport and communication	Financial and business services etc.	Other industries and services[3]	Dwellings	Transfer costs of land and buildings
	DFDC	DFDE	DFEK	DFDD	DFDJ	DFDI	DFEL	DFEM	DFDK	DFBH
At current prices										
1980	41 588	2 399	3 279	6 481	3 239	3 878	5 690	6 492	8 456	1 674
1981	41 671	2 882	3 687	5 318	3 225	3 360	6 538	6 558	8 188	1 915
1982	45 396	3 081	3 797	5 481	3 579	3 214	7 198	7 629	9 259	2 158
1983	49 300	2 875	4 159	5 856	3 774	3 677	7 427	8 042	10 911	2 579
1984	55 526	3 224	3 761	7 071	4 582	4 466	8 889	8 833	11 963	2 737
1985	59 710	2 809	3 850	7 701	5 273	5 039	10 489	9 298	12 337	2 934
Unadjusted										
1983 1	12 712	700	1 172	1 286	868	921	1 832	2 344	2 898	591
2	10 948	759	925	1 318	863	797	1 672	1 671	2 318	625
3	12 009	694	1 030	1 458	952	841	1 720	1 965	2 667	682
4	13 631	722	1 032	1 794	1 091	1 118	2 203	2 062	2 928	681
1984 1	14 123	739	1 055	1 637	1 038	1 101	1 910	2 706	3 272	665
2	12 589	922	851	1 596	1 031	895	2 060	1 806	2 782	646
3	13 625	772	899	1 725	1 226	1 111	2 231	2 123	2 824	714
4	15 189	791	956	2 113	1 287	1 359	2 688	2 198	3 085	712
1985 1	16 094	623	1 059	1 805	1 162	1 691	3 060	2 803	3 244	647
2	12 884	711	864	1 724	1 201	1 032	2 015	1 877	2 744	716
3	14 502	757	959	1 895	1 402	1 114	2 396	2 236	2 954	789
4	16 230	718	968	2 277	1 508	1 202	2 998	2 382	3 395	782
1986 1	16 764	603	1 218	2 046	1 356	1 323	2 919	3 116	3 493	690
Revalued at 1980 prices										
	DFDM	DFDO	DFEN	DFDN	DFDU	DFDT	DFEO	DFEP	DFDV	DFDW
1980	41 588	2 399	3 279	6 481	3 239	3 878	5 690	6 492	8 456	1 674
1981	37 914	2 668	3 310	4 866	2 972	3 043	6 094	5 954	7 222	1 785
1982	40 099	2 813	3 252	4 706	3 180	2 779	6 563	6 844	7 892	2 040
1983	42 179	2 553	3 456	4 780	3 284	3 071	6 751	7 146	8 931	2 207
1984	45 600	2 914	3 017	5 538	3 857	3 537	7 696	7 735	8 982	2 324
1985	45 947	2 359	2 974	5 658	4 184	3 701	8 491	7 725	8 546	2 309
Unadjusted										
1983 1	11 062	621	993	1 077	764	786	1 672	2 100	2 516	533
2	9 454	674	777	1 085	760	667	1 534	1 489	1 935	543
3	10 202	612	843	1 177	825	701	1 567	1 737	2 170	570
4	11 451	646	843	1 441	935	917	1 978	1 820	2 310	561
1984 1	11 816	663	852	1 309	884	892	1 692	2 404	2 559	561
2	10 528	855	690	1 260	883	721	1 831	1 587	2 136	565
3	11 105	695	722	1 339	1 030	873	1 906	1 854	2 083	603
4	12 151	701	753	1 630	1 060	1 051	2 267	1 890	2 204	595
1985 1	12 687	547	827	1 364	934	1 271	2 501	2 385	2 320	538
2	10 013	611	672	1 280	977	760	1 664	1 568	1 906	575
3	11 113	630	732	1 385	1 116	806	1 945	1 842	2 046	611
4	12 134	571	743	1 629	1 157	864	2 381	1 930	2 274	585
1986 1	12 504	494	923	1 438	1 025	942	2 287	2 518	2 374	503
Seasonally adjusted										
	DECU	DFDZ	DFEQ	DECV	DFEF	DFEE	DFER	DFES	DFEG	DECX
1983 1	10 509	671	887	1 139	795	717	1 704	1 734	2 287	575
2	10 288	639	861	1 162	806	716	1 648	1 747	2 161	548
3	10 480	592	868	1 195	808	778	1 638	1 789	2 264	548
4	10 902	651	840	1 284	875	860	1 761	1 876	2 219	536
1984 1	11 252	727	759	1 376	924	826	1 715	1 991	2 328	606
2	11 470	801	768	1 352	939	784	1 999	1 876	2 381	570
3	11 405	674	746	1 362	1 009	948	1 996	1 926	2 165	579
4	11 473	712	744	1 448	985	979	1 986	1 942	2 108	569
1985 1	12 245	623	741	1 410	979	1 263	2 576	1 975	2 109	569
2	10 928	559	742	1 385	1 035	827	1 809	1 859	2 127	585
3	11 295	598	753	1 416	1 067	833	1 994	1 893	2 138	583
4	11 479	579	738	1 447	1 083	778	2 112	1 998	2 172	572
1986 1	11 916	569	831	1 486	1 066	924	2 269	2 068	2 150	533

1 Further details are given in the Monthly Digest of Statistics.
2 Direct investment only; capital expenditure on assets obtained on financial lease is classified, on the basis of ownership, to the finance industry.
3 Covers agriculture, forestry and fishing, construction and other service industries.

Value of physical increase in stocks and work in progress

TABLE 16

£ million

	At current prices						Revalued at 1980 prices					
				Distributive trades						Distributive trades		
	All industries	Energy and water supply	Manufacturing (revised definition)[1]	Wholesale[2]	Retail[3]	Other industries	All industries	Energy and water supply	Manufacturing (revised definition)[1]	Wholesale[2]	Retail[3]	Other industries
Book values end-December 1984	86 639	6 025	41 357	12 953	9 223	17 081	66 389	3 941	31 608	9 516	7 320	13 984
	DHBF	DHBU	DHBA	DHBG	DHBE	DHBW	DHBK	DHBS	DHBH	DHBL	DHBJ	DHBV
1980	-2 875	171	-2 321	-392	-433	100	-2 875	171	-2 321	-392	-433	100
1981	-2 815	-484	-1 565	-260	146	-672	-2 484	-368	-1 516	-218	131	-513
1982	-1 306	-45	-1 291	-68	-15	114	-1 121	23	-1 113	-5	-31	5
1983	673	-123	-172	-21	-54	1 043	673	-7	-131	-37	-13	861
1984	-495	-1 098	256	-352	438	262	-142	-787	250	-245	379	261
1985	814†	-59†	-695†	-295†	452	1 211†	663†	12†	-509†	-186†	349	997†
Unadjusted												
1983 1	561	-91	246	-42	32	416	483	-72	202	-62	31	384
2	87	-29	71	61	-249	233	156	57	76	54	-180	149
3	838	306	-564	394	190	530	688	226	-495	314	173	470
4	-813	-311	95	-434	-27	-136	-654	-218	86	-343	-37	-142
1984 1	105	-600	317	25	250	113	166	-454	262	29	201	128
2	-143	-135	116	-250	-49	175	-92	-113	93	-187	-4	119
3	326	-39	-149	327	-82	289	238	-25	-117	251	-63	192
4	-783	-324	-29	-454	319	-295	-454	-195	12	-338	245	-178
1985 1	-88†	-353	-208	25	147	301†	14†	-205	-163	38	97	247†
2	774	-42	437	37	-148	490	602	-24	321	3	-95	397
3	491	107	-326	154	182	374	435	81	-227	127	138	316
4	-563	229†	-598†	-511†	271	46	-388	160†	-440†	-354†	209	37
1986 1	766	-463	140	577	248†	264	600	-319	97	408	172†	242

£ million,1980 prices

	All industries	Energy and water supply	Manufacturing (revised definition)[1,4]				Distributive trades		Other industries
			Total	Materials and fuel	Work in progress	Finished goods	Wholesale[2]	Retail[3]	
	DGBA	DHBQ	DHBM	DGAX	DGAY	DGAW	DHBO	DHBN	DHBR
1980	-2 875	171	-2 321	-1 251	-714	-357	-392	-433	100
1981	-2 484	-368	-1 516	-993	-48	-476	-218	131	-513
1982	-1 121	23	-1 113	-486	-472	-157	-5	-31	5
1983	673	-7	-131	-258	269	-142	-37	-13	861
1984	-142	-787	250	8	90	151	-245	379	261
1985	663†	12†	-509†	-75†	-410†	-24†	-186†	349	997†
Seasonally adjusted									
1983 1	296	77	-	-185	248	-64	-147	-79	445
2	12	5	-46	-97	-54	106	143	-99	9
3	256	26	-288	-105	65	-247	23	165	330
4	109	-115	203	129	10	63	-58	-	77
1984 1	-24	-312	55	-35	28	65	-60	108	186
2	-265	-176	-31	-12	82	-101	-124	87	-21
3	-142	-186	95	61	8	26	-19	-71	39
4	289	-113	131	-6	-26	161	-42	255	58
1985 1	-218†	-100	-380	-19	-306	-56	-56	14	306†
2	465	-57	198	-48	2	244	65	7	252
3	77	-65	4	41	81	-118	-142	125	155
4	337	234†	-331†	-49†	-187†	-94†	-53†	203	284
1986 1	388	-207	-116	44	-28	-132	316	98†	299

1 Further details are given in the Monthly Digest of Statistics.
2 Excluding wholesale distribution of motor vehicles, parts and accessories.
3 Excluding retail distribution of motor vehicles and parts, and filling stations.
4 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

National accounts aggregates[1]

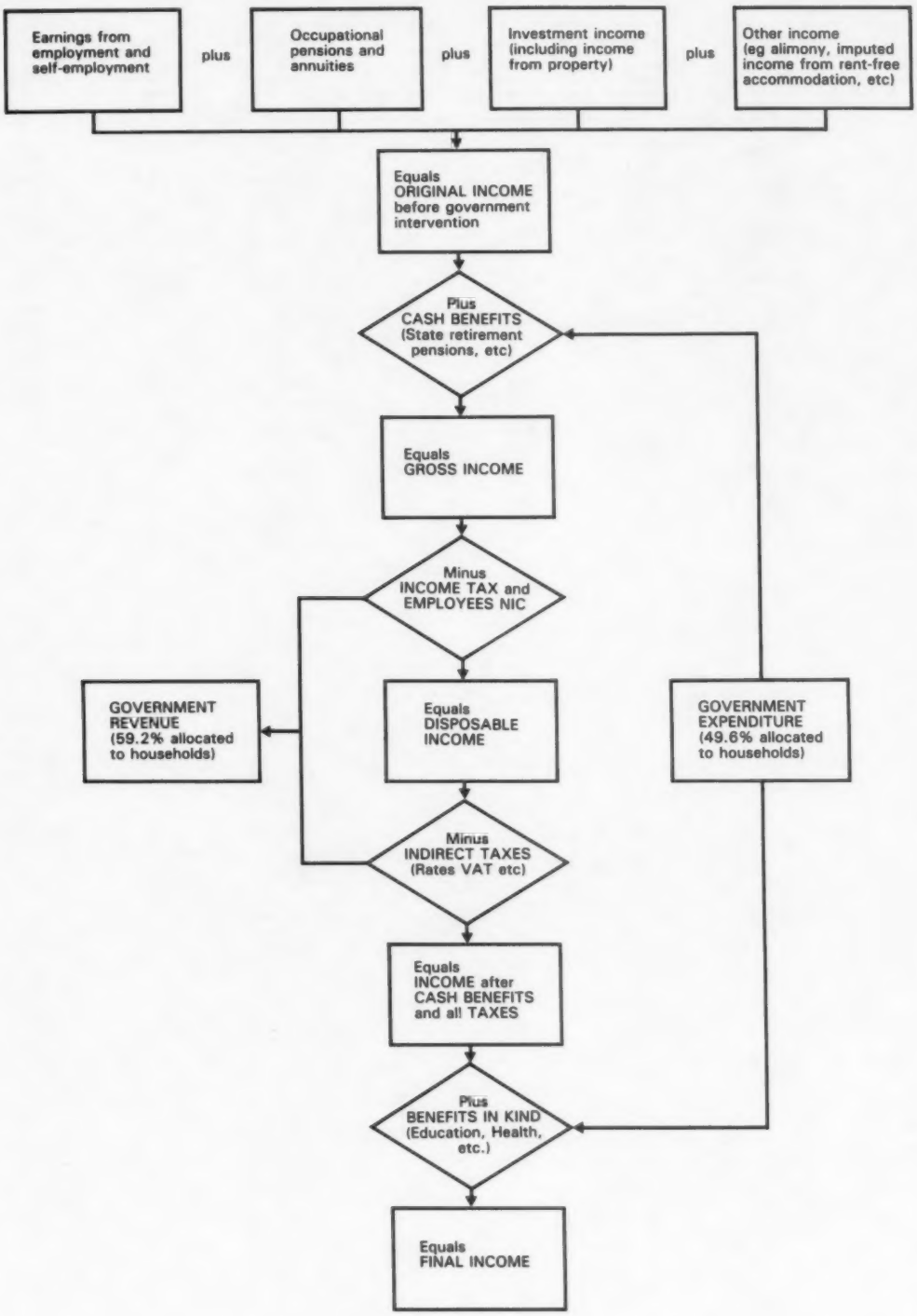
TABLE 17

	Gross domestic product (average estimates)							
	£ billion				Index numbers : 1980=100			
			1980 prices				1980 prices	
	At current market prices	At current factor cost	At constant market prices	At constant factor cost	At current market prices	At current factor cost	At constant market prices	At constant factor cost
	CAOA	CAOF	CAOJ	CAOK	DJDM	CAOL	FNAC	DJDB
1980	230.1	199.3	230.1	199.3	100.0	100.0	100.0	100.0
1981	253.1	217.1	226.5	196.5	110.0	108.9	98.5	98.6
1982	276.8	236.2	230.7	200.1	120.3	118.5	100.3	100.4
1983	300.5	258.0	238.2	206.7	130.6	129.5	103.5	103.7
1984	321.2†	276.9†	244.8	212.1	139.6†	138.9†	106.4	106.4
1985	351.6	303.2	252.9†	219.2†	152.8	152.1	109.9†	110.0†
Seasonally adjusted	CAOB	CAOM	CAOO	CAOP	DJCL	CAON	FNAO	DJDD
1983 1	73.5	62.9	59.1	51.3	127.8	126.2	102.7	102.9
2	73.6	63.3	59.0	51.2	128.0	127.0	102.6	102.8
3	75.9	65.3	59.9	52.0	132.0	131.1	104.1	104.3
4	77.5	66.6	60.3	52.3	134.8†	133.8†	104.9	105.0
1984 1	78.8†	67.9†	60.8	52.7	137.0	136.3	105.8	105.8
2	79.0	68.3	60.7	52.5	137.3	137.0	105.5	105.4
3	80.7	69.5	61.4†	53.2	140.3	139.6	106.7	106.8
4	82.6	71.2	62.0	53.7	143.7	142.8	107.7	107.7
1985 1	85.0	73.7	62.5	54.2†	147.8	147.8	108.7†	108.7†
2	87.0	75.1	63.3	55.0	151.4	150.8	110.1	110.4
3	88.5	76.2	63.3	54.9	153.9	152.9	110.1	110.1
4	91.1	78.2	63.7	55.1	158.4	157.0	110.7	110.6
1986 1	92.1	79.3	64.1	55.5	160.2	159.1	111.5	111.4

1 These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

CHART 1

Stages of redistribution


Earnings from employment and self-employment
plus
Occupational pensions and annuities
plus
Investment income (including income from property)
plus
Other income (eg alimony, imputed income from rent-free accommodation, etc)
Equals ORIGINAL INCOME before government intervention
Plus CASH BENEFITS (State retirement pensions, etc)
Equals GROSS INCOME
Minus INCOME TAX and EMPLOYEES NIC
GOVERNMENT REVENUE (59.2% allocated to households)
Equals DISPOSABLE INCOME
GOVERNMENT EXPENDITURE (49.6% allocated to households)
Minus INDIRECT TAXES (Rates VAT etc)
Equals INCOME after CASH BENEFITS and all TAXES
Plus BENEFITS IN KIND (Education, Health, etc.)
Equals FINAL INCOME

The Effects of Taxes and Benefits on Household Income 1984

Summary of main results

During 1984 the Government raised and spent £146 billion. Directly or indirectly most of this revenue was raised from UK households and the expenditure benefitted households; although greater equality of incomes is not necessarily a primary aim of this process, it is nevertheless one of its consequences. For any one household it is most unlikely that in any one year payments will exactly balance with benefits; the aim of this article is to examine how the balance varies by income level and by other household characteristics.

The main results are:

(i) The effect of the tax-benefit system as a whole is to reduce the differences in income between households. In 1984 taxes and benefits increased the share of total income of the bottom 20 per cent of households from 0.3 per cent to 7.1 per cent. Cash benefits play the largest part in reducing income dispersion.

(ii) The joint impact of taxes and benefits is greatest for retired households and for those non-retired households containing no economically active persons.

(iii) Part II of the article examines the impact on households of government expenditure programmes related to housing. Public sector tenants receive on average the greatest support (£730 per annum), followed by owner-occupiers with a mortgage (£410 per annum). For public sector tenants this support constitutes over half their regular outgoings for housing.

(iv) Government housing support as a whole reduces income inequality between households and plays a particularly important role for the bottom 20 per cent of households whose incomes are increased by 25 per cent on average by these programmes. However, one particular type of assistance, mortgage interest tax relief, increases in importance as income increases.

Although this article does not analyse trends in the effects of taxes and benefits on household incomes, it is useful to recall some of the results of such analysis carried out in the article in this series published in Economic Trends, December 1984. This showed that the composition of the 20 per cent of households with the lowest original incomes changed considerably between 1975 and 1983, with increasing numbers of households with children appearing in this income group as a result of the growth in unemployment over the period. This group now depend almost entirely on cash benefits, and the growth in the payment of cash benefits over the period largely offset the increase in inequality of income before taxes and benefits.

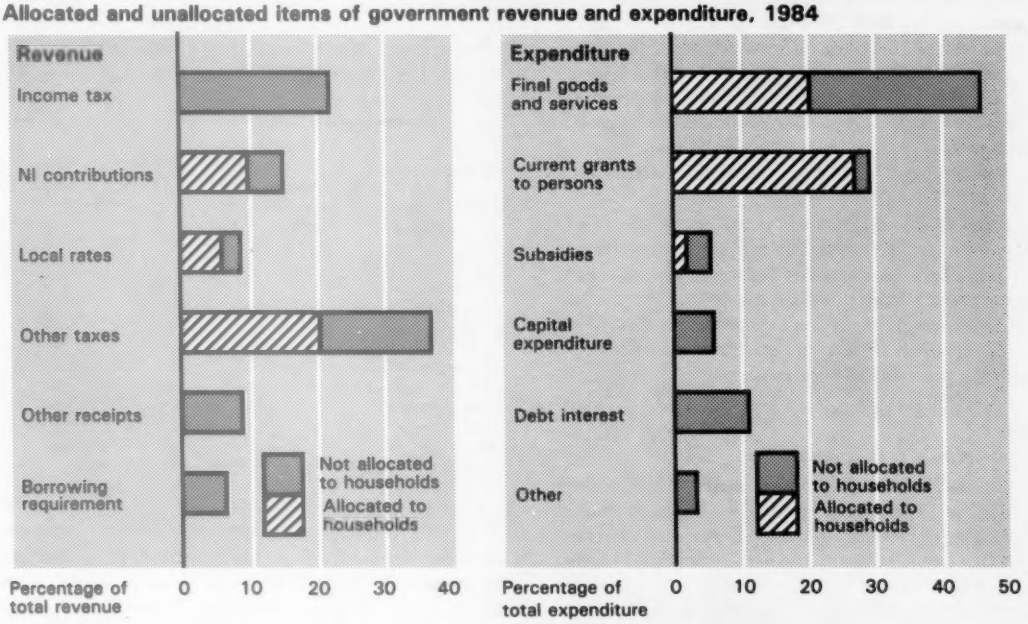
Introduction

This article expands on the summary of results published in Economic Trends in December 1985. Part I gives a detailed description of the results at each stage of the tax benefit system for all households and for retired and non-retired households separately. Part II examines the impact on households of one particular type of government expenditure, expenditure on housing - related programmes. The methods used in preparing the estimates were described in Appendix 1 of the December 1985 article but this is also repeated as Appendix 1 to this article for ease of reference. The usual detailed tables appeared in Appendix 2 of the December 1985 article and are not reproduced here.

Chart 1 illustrates the stages of redistribution which form the structure of this analysis. Initially, households receive income from

CHART 2

Allocated and unallocated items of government revenue and expenditure, 1984



Summary of the effects of taxes and benefits, 1984

TABLE A

	Quintile groups of households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	110	2 480	7 130	11 200	19 750	8 130
plus cash benefits	3 130	2 400	1 140	810	600	1 620
Gross income	3 240	4 880	8 260	12 010	20 350	9 750
less income tax[1] and employees' NIC	-10[2]	330	1 380	2 430	4 740	1 770
Disposable income	3 250	4 550	6 880	9 580	15 610	7 980
less indirect taxes	760	1 300	1 890	2 490	3 700	2 030
Income after cash benefits and all taxes	2 490	3 250	4 990	7 090	11 920	5 950
plus benefits in kind	1 330	1 340	1 370	1 520	1 560	1 430
Final income	3 820	4 600	6 370	8 610	13 480	7 370
Percent that are public sector tenants	*59*	*35*	*27*	*15*	*8*	*29*
Average per household (number)						
Children (i.e. aged under 16)	0.4	0.4	0.8	0.9	0.7	0.6
Adults	1.5	1.7	2.0	2.2	2.7	2.0
People in full-time education	0.3	0.3	0.6	0.8	0.7	0.5
Economically active people	-	0.6	1.3	1.7	2.3	1.2
Retired people	0.8	0.7	0.2	0.1	0.1	0.4

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Negative average tax payment results largely from imputed tax relief on life assurance premiums paid by those with nil or negligible tax liabilities.

various non-governmental sources: from their employment (wages and salaries; self-employment income); from occupational pensions; from their investments; from other households (eg: gifts and alimony payments) and from private non-profit-making institutions such as charities. Total income from these sources constitutes original income. The flow chart shows the various ways in which Government then raises revenue from households and distributes benefits to them both in cash and in kind.

However, it is not possible to allocate the whole of government revenue and expenditure to households (Chart 2). For some items such as the Government Borrowing Requirement such an allocation would be inappropriate; for others the data required to do so are not available, for example expenditure on home improvement grants as discussed in Part II of the article. In all, 59 per cent of Government revenue (including the Borrowing Requirement) and 50 per cent of expenditure are allocated to households in this analysis. Since the total amount of revenue allocated exceeds the total amount of benefits, less significance should be attached to the exact figures of cash "gains" and "losses" than to the broad patterns of redistribution, particularly in the middle income ranges.

The main source of data for the analysis is the Family Expenditure Survey (FES) 1984. This is a continuous household survey which collects information on the income, expenditure and direct tax payments of each household member aged 16 years and over, and on household composition and other characteristics such as tenure. In 1984 7081 households participated and the response rate in Great Britain was 68.4 per cent.

PART I

RESULTS FOR ALL HOUSEHOLDS

The distribution of original income varies widely between households. The 20 per cent of households with lowest original income (the lowest 'quintile group') had an average original income of only £110 per annum in 1984, compared with an average original income of about £19,750 per annum in the highest quintile group (Table A). The size of the original income of a household depends to a large extent on how many economically active persons it contains - though note that someone may be defined as economically active if they have been out of work for up to a year as long as they are still seeking work. Only one in thirty households in the lowest quintile group contain one or more economically active persons. Nearly two-thirds of the households in this group are retired (Table B) - defined as households where at least half the total gross income comes from retired people - and the majority of these have virtually no original income since the state retirement pension (including any graduated or additional pension) is a cash benefit. The composition of the bottom quintile group appears to have remained fairly stable between 1983 and 1984 (Table X, Economic Trends December 1984, page 106).

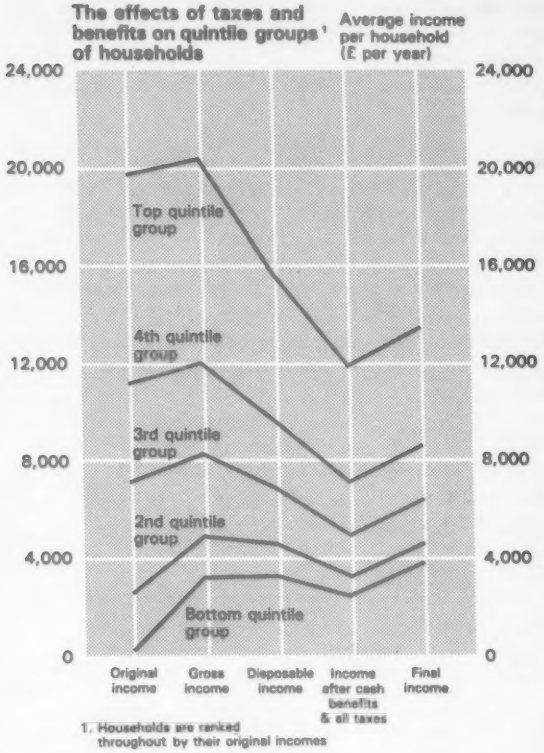
The composition of each quintile group of households ranked by original income, 1984

TABLE B

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Percentages						
Household type						
Retired	66	47	8	2	2	25
Non-retired						
1 adult	9	15	16	7	3	10
2 adults	6	14	27	28	27	20
1 adult with children	6	5	2	1	-	3
2 adults with children	9	12	34	40	24	24
3 or more adults	3	7	13	23	44	18
Total	100	100	100	100	100	100

Chart 3 shows how the dispersion of incomes is reduced at each stage of redistribution, so that the quintile average final income ranges from £3,820 to £13,480, a ratio of about 1:4 compared with the ratio for original incomes of about 1:180.

CHART 3



An alternative way to illustrate the extent of income redistribution is to examine how income shares are modified by the tax-benefit system (Table C). For example, households in the highest quintile group receive 49 per cent of all original income. After taking into account cash benefits, this group's share falls to 42 per cent. At the other end of the scale, the share of the lowest quintile group rises from 0.3 per cent to 5.6 per cent. Further, but comparatively smaller, compressions of the income distribution occur at the stages of disposable and final income.

Though not without its drawbacks, the Gini coefficient is the most widely used summary measure of the inequality of the distribution of income (see paragraph 37 of Appendix 1). It takes values between 0 and 100 per cent - the higher values indicating greater inequality. While it is dangerous to draw detailed conclusions from isolated changes in the Gini coefficient, the reduction from 49.9 per cent to 36.9 per cent shown in Table C clearly confirms that cash benefits produce the largest reduction in income inequality.

Percentage shares of total household income, 1984

TABLE C

	Percentage in each quintile group of households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom ..	0.3	5.6	6.7	6.2	7.1
2nd	6	10	12	11	12
3rd	18	17	18	17	18
4th	28	25	24	24	24
Top	49	42	40	41	39
Total	100	100	100	100	100
Decile group					
Bottom ..		2.3	2.8	2.3	2.8
Top	29	25	24	25	23
Gini coefficient (percent) ..	49.9	36.9	33.4	35.7	32.4

[1] Income after cash benefits and all taxes but before benefits in kind.

Attention has already been drawn to the preponderance of retired households in the lower ranges of the distribution of original income; nearly two-thirds of the households in the lowest quintile group and nearly half of those in the second quintile group are retired (Table B). The income pattern of the retired is very different from that of households whose head is of working age, as is their expenditure pattern (which is reflected in their indirect tax

Summary of the effects of taxes and benefits on non-retired households, 1984

TABLE D

	Quintile groups of non-retired households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	1 370	6 240	9 410	12 980	21 380	10 280
plus cash benefits	2 910	1 140	840	710	560	1 230
Gross income	4 280	7 380	10 250	13 690	21 930	11 510
less income tax[1] and employees' NIC ..	120	1 140	1 940	2 900	5 170	2 260
Disposable income	4 150	6 240	8 310	10 790	16 760	9 250
less indirect taxes	1 190	1 760	2 230	2 750	3 900	2 370
Income after cash benefits and all taxes ..	2 970	4 480	6 080	8 040	12 850	6 880
plus benefits in kind	1 760	1 370	1 510	1 530	1 580	1 550
Final income	4 720	5 850	7 590	9 570	14 440	8 430
Percent that are public sector tenants ..	*55*	*32*	*20*	*12*	*8*	*25*
Average per household (number)						
Children (i.e. under 16)	0.9	0.8	1.0	0.9	0.7	0.8
Adults	1.7	2.0	2.1	2.3	2.8	2.2
People in full-time education	0.7	0.6	0.8	0.8	0.7	0.7
Economically active people	0.6	1.3	1.6	1.9	2.4	1.6
Retired people	0.1	0.2	0.1	0.1	-	0.1

[1] After tax relief at source on mortgage interest and life assurance premiums.

payments). For this reason in the detailed examination of each stage of the tax-benefit system which follows, retired and non-retired households will be analysed separately.

RESULTS FOR NON-RETIRED HOUSEHOLDS

Original income

The distribution of original income amongst non-retired households is less unequal than amongst all households, ranging from an average of £1,370 per annum in the lowest quintile group to £21,380 in the highest (Table D). The relationship between the original income of a household and the number of economically active people it contains is again very strong, and this point is discussed in more detail at the end of this section.

Cash benefits

Cash benefits are of two types: contributory, paid from the National Insurance Fund to which individuals and their employers make contributions while working, and non-contributory (Table E). For non-retired households, non-contributory benefits form the most important source of income from cash benefits. The major item, Child Benefit, is spread fairly evenly over the income distribution, though less benefit is received by the second and the top quintile groups where there tend to be fewer children per household (Table D). The other non-contributory benefits are mostly means-tested, in particular Supplementary Benefit, and so payments are concentrated in the lowest quintile group, though the presence of some individuals with low incomes in high income households means that some payments are recorded further up the income distribution. Even the contributory benefits, for which contribution records rather than income are the criteria for payment, are highest for the bottom quintile group because payment results from curtailment of employment income for one reason or another. On average, cash benefits formed 11 per cent of the gross income of non-retired households; their payment resulted in a significant reduction in income inequality.

Average value of cash benefits for each quintile group of non-retired households ranked by original income, 1984

TABLE E

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
£ per household						
Contributory						
Retirement pension	310	270	120	120	90	180
Sickness/ injury related	280	130	100	70	50	120
Unemployment benefit	140	80	70	30	40	70
Other	140	90	40	30	20	60
Total	880	560	330	260	200	440
Non-contributory						
Supplementary benefit	1 040	150	70	40	40	270
Child benefit	320	270	340	320	260	300
Rent rebates/ allowances	400	60	20	10	-	100
Sickness/ disablement related	110	50	40	30	20	50
Other	150	60	40	60	40	70
Total	2 030	580	510	450	360	790
Total	2 910	1 140	840	710	560	1 230
Cash benefits as a percentage of gross income	68	15	8	5	3	11

The former systems of rent rebates/allowances and rates rebates were incorporated into standard housing benefit in the Housing Benefit Scheme which came into operation in April 1983. These two forms of housing assistance continue to be treated differently in the national accounts and in this article too. They are examined in detail in Part II of this article.

Income tax and National Insurance contributions

Both income tax payments and employees' National Insurance contributions are closely related to the size of original income. Payments by households of employees' National Insurance contributions in particular vary with the number of persons in employment and with their earnings. However the existence of an earnings ceiling, £250 per week during most of 1984, means that households in the top quintile group pay rather less in contributions as a percentage of gross income than the middle 60 per cent of households (Table F).

Income tax and employees' NIC as percentages of gross income for each quintile group of non-retired households ranked by original income, 1984

TABLE F

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Income tax [1]	1.3	9.8	12.7	14.8	18.0	14.0
Employees' NIC	1.6	5.7	6.2	6.5	5.5	5.6
Total	2.9	15.5	18.9	21.2	23.6	19.6

[1] After tax relief at source on mortgage interest and life assurance premiums.

The personal tax allowances are large enough to prevent households in the lowest quintile group from paying much tax, and in fact their tax payments are exceeded by their National Insurance contributions. Because of the progressive nature of the income tax system, the proportion of gross income paid in income tax rises from 1.3 per cent for the lowest quintile group to 18.0 per cent for the highest.

Indirect taxes

Indirect taxation is the only component of the tax-benefit system which does not have the effect of reducing income inequality. In total, indirect taxes form a declining proportion of disposable income as original income rises (Table G), ranging from 28.6 per cent in the lowest quintile group to 23.3 per cent in the highest. However, individual taxes have divergent effects on income inequality.

Domestic rates, tobacco duty, beer duty and intermediate taxes (see box) all fall as a percentage of disposable income as income rises. The fall in tobacco duty payments is particularly marked because the incidence of smoking is higher amongst people with low incomes. Value Added Tax (VAT) is not levied on food and certain other items which form a higher proportion of the expenditure of low income households than others, so their VAT payments are on average smaller. Car ownership increases with income and therefore so does the related expenditure, in the form of car tax, vehicle excise duty and duty on hydrocarbon oils.

Indirect taxes as a percentage of disposable income for each quintile group of non-retired households ranked by original income,1984

TABLE G

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Domestic rates [1]	4.0	4.6	4.2	3.6	3.0	3.6
VAT	7.4	7.6	7.7	7.7	7.7	7.7
Duty on beer	1.1	1.2	1.2	1.1	0.9	1.1
Duty on wines and spirits	0.8	0.9	1.0	1.0	1.2	1.0
Duty on tobacco	4.7	3.4	2.5	2.1	1.3	2.3
Duty on hydrocarbon oils	1.3	1.7	1.9	1.9	1.8	1.8
Car tax and vehicle excise duty	0.8	1.1	1.1	1.1	1.0	1.0
Other taxes on final goods and services	2.1	1.7	1.7	1.5	1.3	1.5
Intermediate taxes	6.4	6.0	5.7	5.5	5.1	5.5
Total	28.6	28.2	26.8	25.5	23.3	25.6

[1] Net of rate rebates and the rates element of housing benefit supplement, but including water, etc. charges.

Although some indirect taxes such as VAT are broadly progressive, Table G shows that the impact of virtually all the indirect taxes declines for the top quintile group compared with the fourth quintile group. This is so partly because higher income households tend to save a larger proportion of their income than households with smaller incomes.

Intermediate taxes

Some taxes, such as VAT and excise duties on petrol, alcohol etc have a direct effect on the final price of goods and services. However, the producers of these goods and services also incur costs such as employers' National Insurance contributions, non-domestic rates, and duty on hydrocarbon oils, part of which they may pass on to households in the price of their products. These are called intermediate taxes.

Benefits in kind

Government current expenditure in providing certain goods and services to households either free at the time of use or at subsidised prices is converted by imputation into the equivalent of an income flow to individual households in order to arrive at final income. The largest two items for which such imputations are made are health and education services, which together accounted for 21.5 per cent of total general government expenditure in 1984. Other items for which imputations are made are welfare foods (mainly school meals), the housing subsidy and travel subsidies, together accounting for a further 2.3 per cent of general government current expenditure.

Education benefit to individual households is imputed by reference to the number of pupils and students in the households (students living away from home are not included as part of their parents' household), and to the type of education they are receiving. The bottom quintile group contains the largest number of student households and the unit costs of higher education are well above those for school education. The result is that the lowest quintile group is allocated the highest average imputed benefit (Table H). The impact of welfare foods, which benefit mainly children, is greatest in the lower income groups since children from these households are more likely to take school meals and to have them provided free of charge.

Data are available on the average cost to the Exchequer of providing the various types of health service — hospital inpatient/outpatient care, GP consultations, dental services etc — and it is possible to estimate the use made of each service by individuals of different age and sex. Using this information, an imputed benefit from the health service can be allocated to each individual in the FES sample. These benefits are then aggregated for members of the household to yield figures on a household basis, so that not only the sex-age composition but also the size of the household determines the distribution of health service benefits.

Average value of benefits in kind for each quintile group of non-retired households ranked by original income, 1984

TABLE H

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
£ per household						
Education	910	600	750	780	780	770
National health service	580	620	630	620	650	620
Housing subsidy	130	70	40	30	20	60
Travel subsidies	40	50	60	70	120	70
Welfare foods	100	30	30	20	20	40
Total	1 760	1 370	1 510	1 530	1 580	1 550
Benefits in kind as a percentage of post-tax[1] income	59	30	25	19	12	22

[1] Income after cash benefits and all taxes.

Age and sex are by no means the only possible determinants on which to base the allocation, but age is certainly a very important factor. Data availability also limits the choice of determinants: the FES contains no direct information on the use of health services or other proxies which could be used. Table H shows that these benefits are lowest for the bottom quintile group but fairly flat in the remainder of the income distribution.

Housing subsidy is the sum of Exchequer subsidy and local authority determined rate fund contributions to the housing revenue account. Thus housing subsidy as defined here has been spread between public sector tenants, and since such households tend to be concentrated in the lower half of the income distribution this is where the subsidy is highest. The impact of housing subsidy on household income is discussed in detail in Part II. In this article,

tax relief on mortgage interest is treated as an adjustment to income tax, not as a housing subsidy.

Travel subsidies cover the passenger element of the grants made to various public transport operations covering both buses and railways. The use of public transport by non-retired households is partly related to the need to travel to work and thus to the number of economically active people in a household and so the combined effect of these travel subsidies increases over the income distribution. The heavy use of railways by households in the top quintile group means that their imputed benefit is nearly twice the average for all households.

Table H shows that taken together the absolute values of these benefits in kind show no clear relationship with household income, falling in the lower half of the distribution and rising in the upper half. However as a proportion of post-tax income, benefits decrease from 59 per cent in the lowest quintile group to 12 per cent in the highest quintile group, indicating that this expenditure contributes to the reduction in income inequality.

The overall effect of the various stages of the tax-benefit system on non-retired households is summarised in Table J. Households in the highest quintile group receive 42 per cent of all original income, compared with 3 per cent received by the lowest quintile group. However after taxes and benefits are taken into account, the share of the lowest quintile group rises to 8 per cent and that of the highest falls to 37 per cent. Cash benefits are the major factor underlying these changes, causing the Gini coefficient to fall from 38.7 per cent based on original income to 31.4 per cent based on gross income. Income tax and employees' National Insurance contributions produce a further reduction in inequality, but payment of indirect taxes increases the Gini coefficient. Benefits in kind reduce income dispersion so that the distribution of final income is virtually unchanged from the distribution of disposable income.

Percentage shares of total household income for non-retired households, 1984

TABLE J

	Percentage in each quintile group of non-retired households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom ..	2.7	6.9	8.0	6.9	7.6
2nd	12	13	14	13	14
3rd	18	18	18	18	18
4th	25	24	24	24	24
Top	42	38	37	39	37
Total	100	100	100	100	100
Decile group					
Bottom ..	0.1	2.5	3.0	2.3	2.7
Top	25	23	22	23	22
Gini coefficient (percent) ..	38.7	31.4	28.9	31.8	29.1

[1] Income after cash benefits and all taxes but before benefits in kind.

Relationship with economic activity

As has already been mentioned, the size of original income is largely determined by the number of economically active people in the household. This relationship between income and economic activity amongst non-retired households is explored further in Table K, in which households are classified into four groups according to the number of economically active people they contain.

Average incomes, taxes and benefits by the number of economically active persons per non-retired household, 1984

TABLE K

	Number of economically active persons per household			
	None	One	Two	Three or more
Number of households in the sample	*551*	*2 055*	*2 068*	*624*
Average per household (£ per year)				
Original income	860	8 010	12 790	17 710
plus cash benefits	3 340	1 270	780	780
Gross income	4 200	9 280	13 570	18 490
less income tax and employees' NIC ..	90	1 820	2 760	3 960
Disposable income	4 110	7 460	10 810	14 530
less indirect taxes	1 130	1 930	2 670	3 880
Income after cash benefits and all taxes ..	2 980	5 530	8 140	10 650
plus benefits in kind	2 020	1 360	1 520	1 850
Final income	5 000	6 890	9 660	12 500
Gini coefficients (per cent)				
Original income	*38.1*	*35.3*	*25.5*	*20.5*
Gross income	*28.6*	*28.3*	*23.1*	*18.9*
Final income	*36.5*	*28.1*	*23.0*	*19.1*

Original income ranges from £860 per annum in households where there are no economically active persons to £17710 in households where there are three or more. Cash benefits are concentrated in households where no-one is economically active, but remain substantial, 16 per cent of original income, for those where one household member is economically active because this latter group will contain a number of households where no-one is currently in work.

Not only does average original income differ widely between these four household groups but they also differ considerably in the degree of variation of income within the groups. As measured by the Gini coefficient, variability in original income is very high amongst households where no-one is economically active but where two or more persons are economically active the variability is

Effects of taxes and benefits on retired households, 1984

TABLE L

	Quintile groups of retired households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	-	100	530	1 580	6 610	1 770
plus cash benefits						
Contributory						
Retirement pensions	1 860	2 060	2 130	2 210	2 070	2 060
Sickness/ injury related	130	70	170	150	170	140
Unemployment benefit	-	-	10	20	10	10
Other	60	60	40	70	60	60
Non-contributory						
Supplementary benefit	340	110	50	30	20	110
Sickness/ disablement related	110	60	70	90	120	90
Other	520	440	240	150	70	280
Gross income	3 020	2 910	3 240	4 310	9 140	4 520
less income tax[1]	-10	-	20	200	1 440	330
less employees' NIC	-	-	-	-	20	10
Disposable income	3 020	2 900	3 220	4 100	7 670	4 180
less indirect taxes						
Domestic rates	100	110	180	280	430	220
VAT	140	160	190	280	510	250
Tobacco duty	90	80	70	100	100	90
Other taxes on final goods and services	110	130	160	250	460	220
Intermediate taxes	150	160	190	260	400	230
Income after cash benefits and all taxes	2 430	2 270	2 420	2 940	5 780	3 170
plus benefits in kind						
Education	10	-	-	20	30	10
National health service	840	900	880	870	960	890
Housing subsidy	150	100	70	60	30	80
Travel subsidies	60	70	70	100	80	70
Final income	3 490	3 340	3 450	3 980	6 870	4 230

[1] After tax relief at source on mortgage interest and life assurance premiums.

considerably less. Equally, the tax-benefit system has the effect of substantially reducing inequality within the group of households containing no economically active person but has much less impact on the other groups. This results largely from the diverse nature of the economically inactive group, which ranges from single parents with young children, single full-time students, the disabled, and households where no member has been able to find work during the 12 months prior to interview, to a small number of households where income from other sources such as investments means that they have no need to work. Such households may also contain retired people who are not heads of household.

RESULTS FOR RETIRED HOUSEHOLDS

Retired households have quite distinct income and expenditure patterns and so the tax-benefit system affects them in a different way to non-retired households (Table L). Few retired households have substantial original income; those who do are concentrated in the top quintile group and are receiving occupational pensions. The majority of retired households are dependent on cash benefits, in the form of state retirement pensions and, particularly in the bottom quintile group, income-related benefits such as Supplementary Pension.

Thus cash benefits form a very high proportion of gross income for all but a few retired households with high incomes. However, unlike non-retired households, the bulk of these cash benefits are paid from the National Insurance Fund into which the recipients will have made contributions throughout their working lives.

People over pensionable age do not pay National Insurance contributions so the small payments recorded are made by non-retired people living in retired households. All households except those in the highest quintile group pay very little income tax, because their income is unlikely to exceed their tax allowances unless they have significant income from investments or occupational pensions in addition to their state retirement pension. The largest indirect tax payment made by retired households is VAT.

Retired households derive significant benefits from health services and, to a lesser extent, the housing subsidy and travel subsidies, though of course virtually none from the education service. Health benefit is spread fairly evenly within the group of retired households, as a result primarily of the allocation method used, but housing subsidy is substantially higher for low income households since they are more likely to be public sector tenants. The benefits received by retired households from travel subsidies are mainly for bus travel, particularly in the form of concessionary fares, passes, etc. for senior citizens; households in the upper part of the income distribution tend to be younger and more mobile and so derive more benefit from these schemes.

Table M shows the extent to which income inequality amongst retired households is reduced by the tax-benefit system. Cash benefits play by far the largest part in bringing about this reduction and income tax payments make a further, though much smaller, contribution. Payments of indirect taxes increase the Gini coefficient, but receipts of benefits in kind produce a reduction in dispersion.

Percentage shares of total household income for retired households, 1984

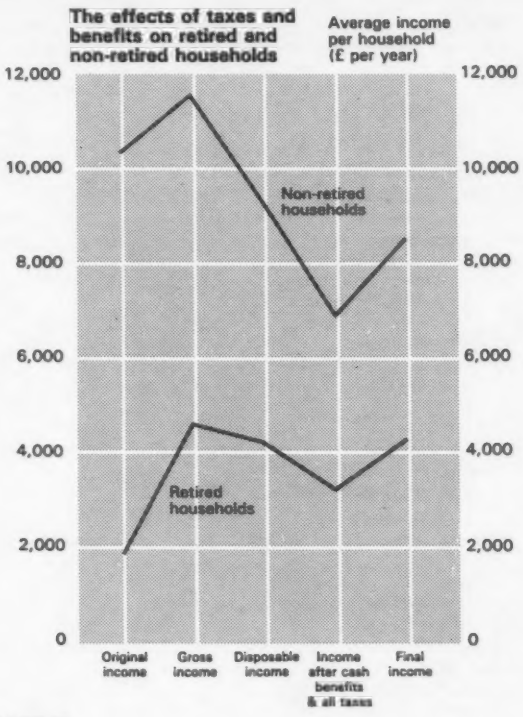
TABLE M

	Percentage in each quintile group of retired households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom ..	-	9.9	10.6	9.6	10.5
2nd	1	12	13	14	14
3rd	6	16	17	17	18
4th	18	21	21	21	22
Top	75	41	38	39	35
Total	100	100	100	100	100
Decile group					
Bottom ..	-	4.6	4.9	3.9	4.5
Top	54	27	24	25	22
Gini coefficient (percent) ..	72.6	31.0	27.4	28.7	24.8

[1] Income after cash benefits and all taxes but before benefits in kind.

A comparison of Table M with Table J shows that although the distribution of original income amongst retired households is much more unequal than that within the non-retired household group, the distribution of final income is more equal amongst the retired than amongst the non-retired. The dispersion of original incomes amongst retired households is similar to that amongst non-retired but economically inactive households (Table K). However, the distribution of final income amongst this latter group remains more unequal than amongst the retired. Chart 4 illustrates the different impact which the tax-benefit system has on retired and non-retired households.

CHART 4



PART II

IMPACT OF GENERAL GOVERNMENT HOUSING SUPPORT ON HOUSEHOLD INCOME

Government assistance towards peoples' housing costs takes many different forms and this is reflected in the fact that in the above analysis, measures connected with housing appear at each stage of the tax-benefit system. Rent rebates and allowances are part of cash benefits; mortgage interest relief is deducted from income tax payments; rates rebates are deducted from indirect tax

General government housing support, 1976-84

TABLE N

£ million

	1976	1978	1980	1982	1984
Expenditure					
Rent rebates and allowances/ rent element of housing benefit ..	360	480	650	860	2 640
Supplementary benefit: rent and rates element[1]	580	780	1 010	1 840	-
Housing benefit supplement	-	-	-	-	40
Supplementary benefit assistance with mortgage interest payments[2]	30	30	70	170	150[3]
Renovation grants[4]	80	100	180	430	1 190
Option mortgage scheme	120	140	220	290	..[5]
Housing subsidy[6]	1 300	1 650	2 560	1 560	1 380
Total housing expenditure	2 470	3 180	4 690	5 150	5 400
Reduction in taxation (foregone revenue)					
Rates rebates/ rates element of housing benefit	150	170	250	420	1 280
Income tax relief on mortgage interest payments	1 010	1 040	1 820	2 250	2 820
Total government housing support					
a. at current prices	3 630	4 380	6 760	7 830	9 490
b. at constant (1980) prices[7]	*6 310*	*6 010*	*6 760*	*6 510*	*7 200*

[1] DHSS estimate.
[2] From 1976-82 includes assistance with ground rent.
[3] Estimate for 1983.
[4] Including thermal insulation and clean air grants.
[5] Subsumed into the MIRAS scheme.
[6] Exchequer subsidy plus local authority determined rate fund contributions to the housing revenue account, plus grants to housing corporations.
[7] Deflated using the deflator implied by GDP at market prices.

payments; and housing subsidy is allocated to households as an in-kind benefit. The purpose of this section of the article is to draw these strands together to provide a picture of the impact of government's housing-related actions in total.

This particular conceptual approach to examining the housing support received by householders is by no means the only one which could be adopted. It is essentially an analysis of cash flows as measured by the national accounts and does not attempt to assess the "true" support given by government to particular tenure groups. For example, in the analysis which follows assistance to council tenants comprises rent and rates rebates received plus the housing subsidy (see Appendix 1 paragraph 33 for more details). An alternative conceptual approach often used is to regard assistance to council tenants as the difference between what they pay and the economic cost of providing their housing. Such an economic measure involves assumptions which are beyond the scope of this article and so will not be attempted, but it should be noted that the results from an alternative approach such as this could be very different from those presented below.

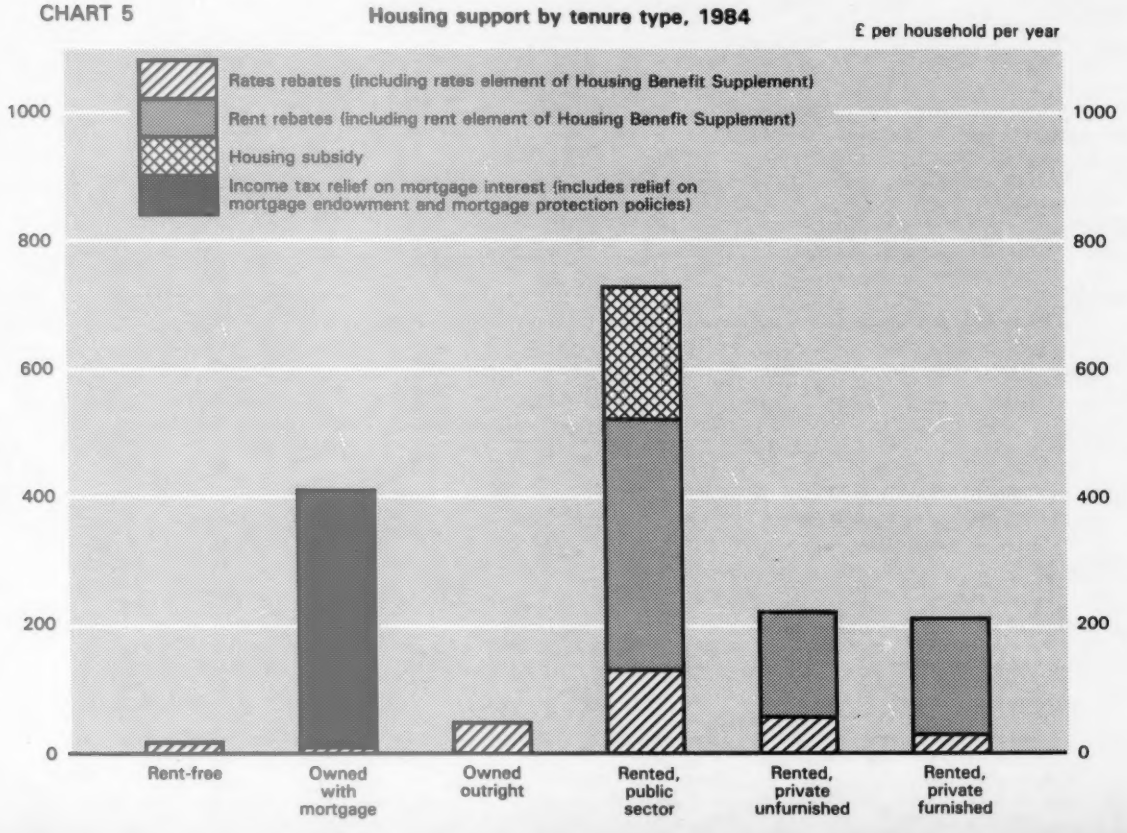
Table N shows the size of various housing-related programmes over the period 1976-86. Inevitably, arbitrary boundaries have to be drawn in defining housing expenditure and in this analysis the definition is restricted to programmes specifically related to private dwellings. The provision of facilities for people within institutions will also contain an element of "housing" but this would be extremely difficult to isolate and in any case, since the FES only covers people in private dwellings, expenditure on such programmes could not be allocated to households. Examples of programmes thus omitted are:

- accommodation of the "priority need" homeless in bed and breakfast establishments;
- provision of gipsy sites;
- provision of old people's homes

Some assistance from government comes in the form of cash expenditure through programmes such as rent rebates/allowances, and the subsidy to local authority housing revenue accounts. However assistance is also given through the reduction of people's tax payments, either through income tax relief on mortgage interest payments or through rebates to rates assessments. Although such assistance involves no cash expenditure by government, the loss in revenue represents a benefit to households. These two types of assistance are treated differently in the national accounts and so are shown separately in Table N. However, they are also added together to produce what is defined in this analysis as total government housing support. It should be noted that "cash expenditure" by government does not necessarily imply that benefitting households receive a direct cash payment; in fact of all the items covered in Table N, only rent allowances and renovation grants are received in cash.

During the period covered by Table N there have been various administrative changes affecting these programmes which have reduced comparability over time for individual items. Prior to the introduction of the Housing Benefit Scheme from November 1982 onwards, Supplementary Benefit (SB) payments included a housing element to cover claimants' rent and rates payments. This was paid in cash as part of their total benefit and the rent and rates elements could not be distinguished separately. Thus prior to 1984, the figures for rent rebates/allowances received by SB recipients include rates assistance too. Under the Housing Benefit scheme SB recipients no longer receive cash payments to cover any rent or domestic rates bills received direct from their local authority, but instead these are reduced by the amount of rebate to which they are entitled.

CHART 5 **Housing support by tenure type, 1984**



At the same time that the Housing Benefit scheme was implemented a new form of SB payment, Housing Benefit Supplement, was introduced. This was designed to prevent anyone being worse off, after meeting their rebated rent and rates, than they would be if they received SB.

The introduction of the Mortgage Interest Relief at Source (MIRAS) scheme in April 1983 does not affect the time series shown in the table since it was a purely administrative change. However, the Option Mortgage Scheme, under which lending institutions charged a low rate of interest for which they were compensated by government and which was primarily for the benefit of non-taxpayers, was subsumed into the MIRAS scheme and so can no longer be identified. However it should be noted that the figure for income tax relief in 1984 contains an expenditure element, estimated at about £80 million, being the equivalent of basic rate tax relief to mortgage holders with incomes too low to get tax relief on the whole of their mortgage interest payments.

Although these changes make interpretation of trends more difficult, it is clear that social security housing support, mortgage interest relief, and renovation grants all increased substantially over the period. The most dramatic growth has been in social security expenditure which increased four-fold over the period. This has resulted from increases in average rents and rates which have not only affected the average payment to each recipient but also the number of households eligible for benefit. The growth in unemployment has also caused an increase in the number of claimants. In total, housing support in 1984 was 14 per cent higher in real terms than it was in 1976.

Important changes have taken place in the pattern of tenure over this period which underlie these data on housing assistance. Social Trends 16 (Chapter 8) shows how the owner-occupied sector has grown to reach 61 per cent of the housing stock in 1984, whilst the private rented sector has fallen to only 11 per cent of the housing stock (ST16 Chart 8.1). The number of houses rented from local authorities or new town corporations reached a peak in 1979 but since then has been falling because many tenants took the opportunity to buy their rented homes under the government's "Right to Buy" legislation. The growth of owner-occupation has contributed towards the increase in mortgage interest relief, though increases in house prices and changes in interest rates have also been important factors. The discount on council house sales to sitting tenants also represents a benefit to public sector tenants, though no attempt is made to quantify it in this analysis.

Using the FES it is possible to estimate the receipts by households of virtually all the types of assistance listed in Table N. Some of the information required is obtained direct from the survey respondents, such as receipts of rent and rates rebates, whilst for others imputations can be made based on the information collected. Housing subsidy is an example of the latter, where FES data on the tenure type of a household is used to allocate the subsidy equally between council tenants within various regions of the country. Further details of the allocation methods used are given in Appendix 1. However, renovation grants and SB assistance with mortgage interest are omitted from the remaining tables in this section because the FES does not provide sufficient data on which to base an allocation to households.

Rates rebates are the only form of assistance benefitting all tenure types (Chart 5); others are targetted on particular tenure

Housing support by tenure type, 1984

TABLE P

	Rent-free	Owned with mortgage	Owned outright	Rented, public sector	Rented, private unfurnished	Rented, private furnished
Percentage in each tenure group receiving						
Rates rebates	11	6	32	58	36	25
Rent rebates/ allowances	-	-	-	64	35	25
Housing subsidy	-	-	-	100	-	-
Income tax relief on mortgage interest ..	-	100	-	-	-	-

Household characteristics and composition, by tenure type, 1984

TABLE Q

	Rent-free	Owned with mortgage	Owned outright	Rented, public sector	Rented, private unfurnished	Rented, private furnished	All tenure types
Number of households in sample	*125*	*2 658*	*1 598*	*2 162*	*349*	*189*	*7 081*
Average rateable value of dwelling (£)	194	298	272	235	212	170	265
Average age of household head (years)	*53*	*41*	*64*	*49*	*57*	*32*	*51*
Average per household (number)							
Persons	2.3	3.2	2.1	2.5	2.1	1.7	2.6
Full-time workers	0.8	1.4	0.5	0.6	0.6	0.8	0.9
Retired persons	0.4	0.1	0.8	0.5	0.6	0.1	0.4
Household composition (percentages)							
One or more adults, retired	*21.6*	*1.9*	*50.3*	*34.5*	*41.6*	*6.9*	*25.2*
One adult, non-retired	*16.0*	*7.4*	*7.9*	*9.7*	*12.3*	*52.4*	*9.8*
Two adults, non-retired	*27.2*	*23.7*	*21.4*	*15.2*	*18.3*	*24.3*	*20.4*
Three or more adults, non-retired	*6.4*	*12.8*	*11.1*	*9.2*	*5.7*	*5.3*	*10.7*
One adult with children	*3.2*	*1.5*	*1.2*	*5.6*	*2.6*	*2.1*	*2.8*
Two adults with children	*22.4*	*41.6*	*4.4*	*19.2*	*16.4*	*8.5*	*23.9*
Three or more adults with children	*3.2*	*11.2*	*3.8*	*6.6*	*3.3*	*0.6*	*7.3*
All household types	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

types. Total government support is greatest for the public sector rented group, averaging £730 per household per year, followed by assistance of £410 per year for those buying their own home with a mortgage. Assistance to owner-occupiers with a mortgage comes almost entirely through income tax relief, both on their mortgage interest payments and where applicable on their mortgage endowment policy premiums, whereas assistance to public sector tenants comes in a variety of forms; 28 per cent through housing subsidy, 18 per cent through rates rebates and 54 per cent through rent rebates. In this section public sector tenants include new town corporation and housing association tenants as well as local authority tenants.

About one-third of householders owning their homes outright receive rates rebates (Table P) since a high proportion are pensioners (Table Q). On the other hand, household heads in privately rented furnished accommodation are much younger than average and over half are single people living alone. Their accommodation tends to have a low rateable value and this is reflected in the low average rates rebate received compared with the privately rented unfurnished sector. The overall level of support to the two private tenant groups is similar, though a higher proportion of tenants in unfurnished accommodation receive assistance.

As a result of the method of allocation, all council tenants receive housing subsidy (Table P); in fact, about 40 percent of local authorities in England receive no housing subsidy, but tenants of such authorities cannot be identified because FES information on local authority is withheld for confidentiality reasons. Rent and rates rebates/allowances are of course means-tested in order to target assistance on those most in need and so the high level of these benefits amongst council tenants results from the below-average proportion of full-time workers in such households.

All public sector tenants and all owner-occupiers with a mortgage receive some form of housing support. The least-aided sector are the rent-free tenants where only 11 per cent receive any support, all of which is in the form of rates rebates; this sector includes those who are in "tied" rent-free accommodation such as agricultural workers, and those whose accommodation is provided by a relative, a friend, or a charitable institution.

Table R explores further the relationship between tenure, the age of the head of household, and the amount of housing support received. The furnished and unfurnished private rented sectors have been combined and the rent-free sector has been dropped in this table because of sample size problems in carrying out the two-way disaggregation.

Housing support by tenure type and age of head of household, 1984

TABLE R

	Average per household (£ per year)			
	Owned with mortgage	Owned outright	Rented, public sector	Rented, private sector
Household head aged:				
Under 25 years	530	-	960	160
25-39 years	500	20	730	190
40-54 years	350	20	630	170
55-69 years	210	40	660	170
70 years or over	220	80	870	360

Support is greatest for households with heads aged under 25 years, then decreases with age but rises again for elderly households with heads aged 70 years or more. Looking at the various tenure types individually we can see that this pattern is repeated amongst public sector tenants and those buying their homes with a mortgage. Support to the private rented sector shows a much less clear relationship with age, though assistance to the elderly is nearly double that received by any other group.

Government housing support relative to household housing expenditure , by tenure type, 1984

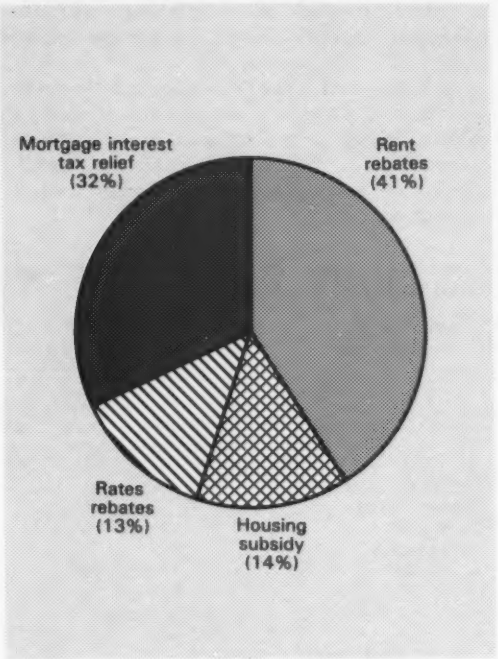
TABLE S

	Rent-free	Owned with mortgage	Owned outright	Rented, public sector	Rented, private unfurnished	Rented, private furnished
Average per household (£ per year)						
Household expenditure[1] on housing						
Rates[2] (gross of rebates)	350	410	370	330	300	230
Rent (gross of rebates and allowances and including housing subsidy)	-	-	-	1 000	640	1 090
Insurance of structure	10	60	50	-	-	-
Repairs and maintenance	40	420	180	40	60	30
Other regular payments for housing[3]						
Instalment repayments of mortgage principal	-	280	-	-	-	-
Interest payments on mortgages (gross)	-	1 260	-	-	-	-
Other[4]	-	40	-	-	-	-
Total regular outgoings for housing ..	430	2 460	600	1 370	990	1 360
Total government housing support ..	20	410	50	730	220	170
Government support as a percentage of regular outgoings	***4***	***17***	***8***	***53***	***22***	***13***

[1] As defined for consumers expenditure in the national accounts.
[2] Including water, sewerage and environmental rates.
[3] Mainly connected with mortgages: these payments are excluded from consumers' expenditure in the national accounts.
[4] Mortgage protection premiums and life assurance premiums on endowment mortgages (all gross).

CHART 6

Composition of housing support received by households with heads aged under 25



Households headed by a person under 25 are divided equally between the council rented sector, the private rented sector and owner-occupiers with a mortgage, and so all forms of government housing support are important to this group (Chart 6).

Table S attempts to relate government housing support to household expenditure on housing for each tenure type. The expenditure data in this table are taken direct from the FES but the classification follows national accounting conventions rather than, for example, the definitions used in the FES Annual Report. The regular outgoings of owner-occupiers connected with their mortgages, which are not classified as consumers expenditure in the national accounts, are included in this table alongside items of current expenditure. In order to avoid confusion with either consumers expenditure defined in the national accounts or household expenditure defined in the FES Annual Report, the items in this table are termed "regular outgoings". It should be noted that lump sum payments made particularly by owner-occupiers (for example, deposits on houses, payments for structural additions or alterations) are not included either because no information is available on them from the FES or because the FES data are subject to a high degree of error.

Government housing support as a percentage of regular outgoings ranges from 4 per cent for the rent-free sector to 53 per cent for the council rented sector, where a high proportion of heads of household are economically inactive. Regular outgoings are highest for owner-occupiers with a mortgage, for whom government support represents 17 per cent of expenditure. However, it must be remembered that mortgage expenditure brings wider benefits than merely providing a dwelling for the owner: a capital asset is also being acquired, the return on which is impossible to evaluate in the framework of this analysis. The full picture of the costs and benefits of the various forms of tenure is an extremely complex one; Table S represents a much-simplified approach.

In order to assess the redistributive impact of government housing support, household final income may be calculated excluding housing support and receipts of the various types of assistance by quintile groups of households may then be estimated (Table T).

Support is highest for the bottom 20 per cent of households both in absolute terms and as a percentage of income excluding housing support. This is a result of the means-testing of the housing related social security benefits and the fact that 59 per cent of households in the group are council tenants and thus beneficiaries of the housing subsidy. It is notable that for this group, housing support increases their income by as much as 25 per cent.

Housing support by quintile groups of households ranked by original income, 1984

TABLE T

	Quintile groups					Average over all households	*Gini coefficient*
	Bottom	2nd	3rd	4th	Top		
Average per household (£ per year)							
Final income excluding housing support	3 050	4 270	6 140	8 330	13 120	6 980	*34.7*
Housing support							
Rates rebates	190	70	20	10	-	60	
Rent rebates/ allowances	460	160	40	10	-	130	
Housing subsidy	130	80	60	30	20	60	
Income tax relief on mortgage interest payments	10	30	120	230	330	140	
Total	780	330	230	270	360	390	
Final income	3 820	4 600	6 370	8 610	13 480	7 370	*32.4*
Housing support as a percentage of income excluding housing support (percentages)							
Rates rebates	*6*	*2*	*-*	*-*	*-*	*1*	
Rent rebates/ allowances	*15*	*4*	*1*	*-*	*-*	*2*	
Housing subsidy	*4*	*2*	*1*	*-*	*-*	*1*	
Income tax relief on mortgage interest	*-*	*1*	*2*	*3*	*2*	*2*	
Total	*25*	*8*	*4*	*3*	*3*	*6*	

Housing support plays a less important role for households further up the income distribution. In absolute terms it is lowest for the middle quintile group for whom neither the social security benefits nor income tax relief on mortgage interest makes a particularly important contribution to income. However, since support decreases in percentage terms as income increases throughout the income distribution, the overall effect is a progressive one and so government housing support can be concluded to reduce income inequality between households. This is also reflected in the Gini coefficient which is reduced from 34.7 per cent to 32.4 per cent by the addition of housing support to income.

Looking at the items of housing support individually, we can see that all except mortgage interest tax relief are progressive in their own right. Mortgage interest relief rises as income rises, though in percentage terms it falls slightly for the top quintile group.

The elements of the system which contribute most to the reduction in inequality are the housing-related social security benefits, and it may be recalled that the growth in this expenditure has been particularly strong since 1976 (Table N). At the same time, housing subsidy has declined in real terms and since this expenditure benefits appreciable numbers in the upper part of the income distribution whereas the income-related benefits do not, this switch will have had some redistributive effect. On the other hand, mortgage interest tax relief has also grown in real terms, though not as strongly as social security benefit expenditure. From this evidence it is difficult to gauge what the trend has been in the overall effect on households of government housing support, particularly since no allocation to households has been possible for renovation grants which have also grown considerably over the period. Nevertheless, the fact that the income-related benefits have grown from 30 per cent to over 40 per cent of total housing support seems likely to have increased the redistributive impact.

Methodology and Definitions

APPENDIX 1

The allocation of government expenditure and its financing

1. There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the *United Kingdom National Accounts* the CSO Blue Book to apportioning taxes and benefits to individual households. We can obtain information about the types of household that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their ages and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which are not covered in the FES and which are difficult to apportion to individual households. Indeed, most people would probably not think of these as leading to a reduction in their personal incomes. Similarly, there are other items of government expenditure, such as capital expenditure and expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Family Expenditure Survey

2. The estimates in this article are based mainly on data derived from the FES. The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each adult keeps a full record of payments made during 14 consecutive days and answers questions about hire purchase and other payments. He also gives detailed information, where appropriate, about income (including cash benefits received from the state) and payments of income tax. Information on age, occupation, education received, family composition and housing tenure is also obtained.

3. One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The *Family Expenditure Survey Report* for 1984, containing detailed data on household characteristics, income, and expenditure, was published in February 1986. Details of the survey method are set out in *Family Expenditure Survey Handbook* by W F F Kemsley, R U Redpath and M Holmes. Both are published by Her Majesty's Stationery Office.

4. The number of households in the United Kingdom responding to the FES in 1984 was 7081. The response rate in Great Britain was 68.4 per cent. The available evidence suggests that older households, households where the head is self-employed, those without children and very high income households, are less likely to co-operate than others. In addition response in Greater London is noticeably lower than in other areas (see 'Family Expenditure Survey: a second study of differential response, comparing Census characteristics of FES respondents and non-respondents, by Bob Redpath, *Statistical News* No. 72, February 1986 (HMSO)). However at present the results in the article are based on the responses of those households which actually co-operated in the survey. This means that some of the figures differ from those produced by other surveys (see also 'Differential response in the Family Expenditure Survey: the effect on estimates of redistribution of income' by R Harris in *Statistical News* No. 39, November 1977 (HMSO)).

Unit of analysis

5. The basic unit of analysis in the article is the household, and not the family or the individual. A household is defined in the FES as comprising people who live at the same address and who share common catering for at least one meal a day. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information or assumptions it is difficult to apportion indirect taxes between individuals or other sub-divisions of households.

6. In classifying the households, adults have been taken as all people aged 16 and over. Most of the 'extra' adults in households with at least three adults are sons or daughters of the head of household rather than retired people.

7. A *retired* household is defined as one in which the combined income of members who are at least 60, and who describe themselves as retired or unoccupied, amounts to at least half the total gross income of the household; or in which the head is over state pension age, and more than three quarters of the household's income consists of national insurance retirement and similar state pensions, or related supplementary benefit.

8. By no means all retired people are in retired households; about one in three households comprising three or more adults contain retired people, for example, and households comprising one retired and one non-retired adult are often classified as non-retired.

9. The sample households have been classified according to their compositions at the time of the interview; it is particularly important to bear this in mind for households comprising one adult with children - it is likely that many of these households changed their composition at some time during the year.

10. *Economically active* people comprise employees, the self-employed and others not in employment but who are seeking or intending, when able , to seek work. In 1982 there were changes in the FES in the definition relating to economic activity. The effect of these changes is to exclude *all* those out of employment for more than a year rather than five years. This exclusion applies regardless of the fact that they may still describe themselves as seeking work. Also excluded are those who have not been in paid employment since leaving full-time education unless they have worked within the previous year; certain of the part-time self-employed with very small incomes; and those whose only economic activity is working as mail-order agents or baby- sitters.

Income: redistributive stages

11. *Stage one*

Original income *plus* cash benefits=Gross income.

Stage two

Gross income *minus* income tax and employees' national insurance contributions=Disposable income.

Stage three

Disposable income *minus* indirect taxes=income after cash benefits and all taxes.

Stage four

Disposable income *minus* indirect taxes *plus* other benefits=Income after all taxes and benefits (final income).

12. The starting point of the analysis is *original income.* This is the annual income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. It includes income from employment, self-employment, investment and occupational pensions. Employment income is based on the last payment received before the interview or, where different, the amount usually received. Allowance is made for any periods of absence from work through sickness and unemployment in the preceding twelve months, and for bonuses. Income from self-employment is recorded in the FES for a past period. This is brought up to current levels using an index of income from self-employment derived from the National Accounts. Income from interest, dividends and rent is taken as the amount received in the 12 months before the interview. Income from occupational pensions is based on the last payment received.

13. Households living in rent-free dwellings are each assigned an imputed income based upon the rateable value of the dwelling. This is counted as employment income if the tenancy depends on the job.

14. The next stage of the analysis is to add on *cash benefits* to original income to obtain *gross income.* This is slightly different to the 'gross normal weekly income' used in the FES Report, mainly because it excludes the imputed rent of owner-occupiers. Cash benefits are:

Contributory

Retirement pension, Unemployment benefit, Sickness and Industrial injury benefit, Statutory sick pay, Invalidity pension and allowance, Industrial injury disablement benefits, Widows' benefits, Death grant, Maternity allowance, Christmas bonus for pensioners and others, other contributory benefits.

Non-contributory

Supplementary benefit, Child benefit, Rent rebates and rent allowances, Attendence allowance, Mobility allowance, War pensions, Non-contributory invalidity pensions (Severe disablement allowance), Family income supplement, Old persons pensions, TOPS/YOPS etc. awards, Student maintenance awards, Maternity Grant, other non-contributory benefits.

15. Statutory Sick Pay is classified as a cash benefit even though it is paid through the employer.

16. Income from short-term benefits is taken as the product of the last weekly payment and the number of weeks the benefit was received in the 12 months prior to interview. Income from long-term benefits, and from rent rebates and allowances, is based on current rates. Supplementary Benefit includes any supplementary allowances.

17. Income tax and employees' and self-employed contributions to National Insurance and National Health services are then deducted to give disposable income.

18. The estimates are based on the amount deducted from the last payments of employment income and pensions, and on the amount paid in the last 12 months in respect of income from self-employment, interest, dividends and rent. The income tax payments recorded will therefore take account of a household's tax allowances, with the exception of tax relief obtained 'at source'. In 1984 there were two types of tax relief obtained in this way: mortgage interest relief and life assurance premium relief. Where households are eligible for these reliefs imputations are made and deducted from recorded income tax payments. In the case of mortgage interest relief obtained through the MIRAS scheme, which was introduced in April 1983, these imputations are based on the interest component of the latest mortgage repayment.

19. Life assurance premium relief is calculated by allocating the amount paid by Central Government to life assurance funds in respect of this relief in proportion to each household's premium payments.

20. As original income includes some elements not actually received in cash, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household, and which influence spending decisions.

21. The order in which the remaining allocated items are presented is to some extent arbitrary.

22. *Indirect tax on final consumer goods and services* include:

Local authority rates on dwellings (after rebates)
Duties on beer, wines, spirits, tobacco, oil, betting, etc
Value added Tax (VAT)
Customs (import) duties
Car tax
Motor vehicle duties
Driving licences
Stamp duties
Gas Levy

23. These taxes are either levied directly on the consumer (for example domestic rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT.

24. The figures for *domestic rates* include, as well as local authority rates, charges made by water authorities for water, environmental and sewerage services, although these charges to households in England and Wales are no longer counted as general government receipts in the National Accounts. (In Scotland these payments go to the local authorities and are so counted.) Local authority rates are shown net of all rebates received through the Housing Benefit scheme, including those received by Supplementary Benefit recipients. (The rent rebate element of Housing Benefit is shown as a cash benefit.)

25. VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchasers of such cars as well as on the purchasers of new cars. In allocating taxes, expenditures recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery are weighted to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure.

26. The incidence of stamp duty on house purchase on an owner-occupying household has been taken as the product of the hypothetical duty payable on buying the current dwelling (estimated from rateable values) and the probability of a household of that type moving in a given year (estimated from the General Household Survey).

27. *Indirect taxes on intermediate goods and services* are:

Local authority rates on commercial and industrial property
Motor vehicle duties
Duties on hydrocarbon oils
Employers' contributions to national insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme
National insurance surcharge
Customs (import) duties
Stamp duties
VAT

28. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the article, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and final consumption using input-output techniques.

29. Finally, we add the effects of *benefits in kind* for which there is a reasonable basis for allocation to households, to obtain *final income*. Benefits in kind are:

State education
School meals, milk and other welfare foods
National Health service
Housing subsidy
Rail travel subsidy
Bus travel subsidy
Concessionary bus fares for senior citizens

30. *Education benefit* is estimated by the Department of Education and Science as the cost per pupil or student in special schools, primary and secondary schools, universities, and other further education establishments. The value of the benefit attributed to a household depends on the number of people in the household recorded in the FES as receiving each kind of education (students away from home are not counted).

31. The value of *school meals and other welfare foods* is based on their cost to the public authorities. Any payment by the individual households is subtracted to arrive at a net contribution.

32. Each individual in the FES is allocated a benefit from the *National Health Service* according to the estimated average use made of health services by people of the same age and sex, and according to the total cost of providing those services. The benefit from the maternity services is assigned separately to those households receiving maternity grant.

33. In this article public sector tenants are defined to include the tenants of local authorities, New Town Corporations, the Scottish Special Housing Association (SSHA), the Northern Ireland Housing Executive (NIHE) and housing associations. The total *housing subsidy* includes the contribution from rate funds and from central government to the housing revenue accounts of local authorities; and grants paid to the New Town Corporations, the SSHA, the NIHE and the housing associations. Within Greater London, the rest of England, Wales, Scotland and Northern Ireland each public sector tenant has been allocated a share of the region's total relevant subsidy based on the gross rateable value of his dwelling. Housing subsidy does not include mortgage interest tax relief, rent rebates and allowances or rate rebates (see paragraphs 16, 18 and 24 respectively).

34. The rail travel subsidies allocated are those to British Rail passenger operations and London Transport railways (the Underground). The subsidy to London and South East services is allocated to households living in the area and subsidies to provincial services to households living outside the South East, in proportion to households' expenditure on rail fares as recorded in the FES. A single allocation of the subsidy to inter-city services is made by dividing that subsidy between all households in proportion to their recorded expenditure on rail fares. In making both these allocations allowances are made for the use of rail travel by the business sector, tourists and the institutional part of the personal sector.

35. The bus travel subsidy includes the cost of concessionary travel schemes for senior citizens. The method used to allocate the cost of concessionary fares is to derive valuations for the various types of passes from a comparison of recorded expenditure in the FES on bus travel by holders of 'free' and 'half-fare' passes. Separate allocations are then made for the GLC, the English Metropolitan areas and the rest of the United Kingdom. Using aggregates of bus receipts, bus subsidies and the cost of concessionary fares and after making allowances for the use of road passenger transport by tourists, the business sector and institutional part of the personal sector, the total cost of providing bus travel to households in these three areas is estimated and this is then divided between households according to their usage of buses. This usage figure is derived from FES expenditure data and the value of concessionary passes estimated as described above. The amount of bus travel subsidy allocated to each household is then the cost of the bus travel provided less any payments made.

36. It must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure, and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the criteria used both to allocate taxes and to value and apportion benefits to individual households could be regarded as too simplistic. For example, the lack of data forces us to assume that the incidence of direct taxes falls on the individual from whose income the tax is deducted. This implies that the benefit of tax relief for mortgage interest, for example, accrues directly to the tax payer rather than to some other party, for example, the vendor of the land. It also implies that the working population is not able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. And, in allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different to the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service.

Gini coefficient

37. The Gini coefficient is the most widely used summary measure of the degree of inequality in an income distribution. It can most easily be understood by considering a Lorenz curve of the income distribution, ie, a graph of the cumulative income share against the cumulative household share. The curve representing complete equality of income is thus a diagonal line while complete inequality (with only one recipient of income) is represented by a curve comprising the horizontal axis and the right-hand vertical axis. The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini coefficient. Thus a distribution of perfectly equal incomes has a Gini coefficient of zero; as inequality increases (and the Lorenz curve bellies out), so does the Gini coefficient until, with complete inequality, it reaches its m aximum value of 1 (or 100 per cent).

Previous articles

38. This article is the latest in an annual series. Earlier articles covering the years 1957 to 1984 were published in the following issues of *Economic Trends:* November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971 , 1972, November 1972 and 1973, December 1974, February 1976, December 1976, February 1978, January 1979, 1980, 1981 and 1982, December 1982, November 1983, December 1984 and December 1985. The January 1981 article contains a comprehensive account of the changes in treatment over the years. As far as is practicable with the resources available, the Central Statistical Office can provide more detailed analyses of these data. Enquiries should be addressed to D Westcott, Branch 8, Central Statistical Office, Great George Street, London SW1P 3AQ, Telephone 01-233 8300.

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United Kingdom balance of payments: National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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